Eyes possibilities in Korea

Caldwell explains Mexico plans

By Kathleen Hamilton
Financial Editor

Ford Motor Co. Chairman Philip Caldwell characterized his company's decision to assemble cars for the North American market in Mexico as motivated more by government policy than by prospects of saving money.

"But we have to be competitive," he said, and confirmed that Ford has had talks with Korean car maker Hyundai.

"What the future will hold, I don't know," he said of those talks. Caldwell spoke to reporters before his speech last week to the Economic Club of Detroit.

Ford of England has had a long relationship with Hyundai, he said. Hyundai had long assembled Ford Cortina kits until that car was discontinued; it now assembles about 75 Granadas a month from Ford of Germany.

"Korea is a place we know, and are quite at home with," Caldwell said.

Hyundai, Korea's largest auto maker, is in the process of tripling its auto capacity to 300,000 units a year. It entered the Canadian market this month and hopes to expand into the U. S., perhaps in 1985 or 1986.

Japanese auto maker Mitsubishi owns a 10-percent stake in Hyundai, and Chrysler Corp. in turn owns 15 percent of Mitsubishi.

Ford's decision to assemble a Toyo Kogyo-designed car in Mexico for export to the U. S. and Canada will save jobs of workers in the two northern countries, Caldwell said. By meeting the Mexican Government's demand that auto exports equal imports, Ford will be allowed to continue to build cars in Mexico that have a high U. S. content, he said.

Caldwell announced during his speech that Ford agreed to purchase the Dearborn Inn, one of the nation's first airport hotels, from the Edison Institute.

Purchase price was not disclosed, but the Edison Institute had originally estimated it could bring as much as $6.5 million. An Edison Institute spokesman said a lot of bids, offering a wide range of prices, had been received.

The institute decided to sell the hotel rather than make the huge investment needed to keep it a first-class hotel, he said. The funds will be used to run Henry Ford Museum and Greenfield Village.

Henry Ford built the hotel in 1931 to accommodate airplane passengers at nearby Ford Field, now a Ford test track. Ford Motor Co. gave the hotel to the non-profit Edison Institute in 1953 to generate funds for the museum and Greenfield Village — something it has done consistantly, an institute spokesman said.

Caldwell also announced construction will begin this spring on the first of three office towers to be built on the former Ford estate in Dearborn. The first will be a 162,000-square-foot, six-story office building, to be ready for occupancy in 1985.

He declined to say what Ford Motor Land Development Corp. will invest in the project.

Caldwell predicted that 1984 will follow last year's pattern of quarter-to-quarter financial gains, which he said he preferred to recent boom-and-bust cycles.

"When the major auto companies release their 1983 financial results in a few weeks' time, you will discover that they will stand comparison with some of the best years we ever had," Caldwell said. "At Ford, we shall have some records to announce."

Caldwell applauded the domestic-auto industry and Detroit's leaders for gains made during the economic downturn.

"The fact is, that Detroit and all that Detroit stands for, has survived the most shattering challenge any industry has ever faced, in any period of history," he said.

Later he said, "We really don't need to be shown by our Japanese associates how to build small cars efficiently in the U. S. We do it successfully every day elsewhere in the world.

"After all, the Ford Escort is the best-selling car in the world. But we cannot build in the U. S. when the value of the U. S. dollar and our out-of-step tax policies burden us with non-competitive costs and favor Japanese producers with unearned subsidies."

Caldwell also said the U. S. auto industry has saved more energy than any industry or government in the world.

"The cars produced by the domestic industry last year were 83 percent more fuel-efficient than those produced in 1974," he said. "Last year alone, this country saved 15.1 billion gallons of gasoline due largely to the fuel-economy improvements by the U. S. automotive industry.

"At today's average gasoline price, it comes to a grand total savings to consumers of $20 billion in 1983 alone."

Porsche's new Carrera

Porsche's 1984 911 Carrera has a 200-HP, 3.2-liter engine which accelerates the car from 0 to 60 MPH in 6.3 seconds and to a top speed of 146 MPH. It is rated at 20 MPG city, 32 MPG highway by the EPA. The sport coupe is priced at $31,950.

Used-car dealer, employe found slain at car lot

HIGH POINT, N. C.—A used-car dealer and an employe were found slain in their car lot. Both men had been shot once in the head.

Kenneth Ray Hazelwood, 46, owner of the business, and employe Grady Junior Williams, 57, had moved the business a month ago and painters had just finished sprucing up the building for a grand opening.

Sheriff's Capt. Larry Emerson said robbery was not the apparent cause of the killings since nothing appeared to have been disturbed or missing and there were no signs of struggle or forced entry.

Total '83 retail sales climb 22.3 pct.

Ford edges Chevy for truck title

Retail sales of trucks of all types in the U. S. in 1983 were up 22.3 percent over the preceding year, with all three market segments sharing in the advance.

Retail truck sales in 1983 totaled 3,129,474, compared with 2,559,218 in 1982.

Ford took the divisional crown with sales of 991,958 in 1983 to edge Chevrolet, which posted sales of 984,587. Ford's total was up 25.3 percent from its preceding year sales of 791,547, while Chevrolet was up 21.7 percent from 808,805.

It was the sixth year of the last seven in which Ford claimed the truck sales leadership.

Ford also led the way in December, when industry truck sales totaled 306,007 units, up 48.2 percent from 206,518 in December, 1982. Ford outdistanced Chevrolet in December, 96,378 to 91,770.

Light-truck sales in December totaled 287,042, up 49.1 percent from 192,522 a year earlier. For the year, light-truck sales totaled 2,940,751, up 23.8 percent from 2,375,923 in 1982.

Sales of medium trucks in December totaled 3,865, up 18 percent from 3,273 a year earlier. For 1983, medium truck sales were up 4.5 percent to 47,693 from 45,642 in 1982.

Heavies posted 15,100 sales in December, up 40.82 percent from 10,723 a year earlier. It was the fifth straight month in which heavy trucks gained over the year-earlier month's total.

For the full year, sales of heavy-duty trucks were up 2.5 percent at 141,030, compared with 137,653 in 1982.

The action in the compact truck market continued hot and heavy with sales in December of 111,243 compacts, up 73.5 percent from 64,103 a year earlier.

Domestic compacts were up more than imports in December. Domestic compact sales, including captive imports, were up 101.5 percent to 68,730, compared with 34,102 a year earlier. Importers sold 42,513 compact trucks, up 41.7 percent from 30,001 a year earlier.

For the full year, compact sales totaled 1,096,621, up 42.79 percent from the 1982 total of 767,993. The full year sales included 676,536 compacts by domestic makers, up 48.47 percent from 455,684, and 420,085 by importers, up 34.51 percent from 312,309.

Dodge and Chrysler-Plymouth dealers retailed 29,202 light trucks during December, up 47.4 percent from 19,805 a year earlier. For the year, they sold 274,178 trucks, up 11.5 percent from 245,945.

GMC dealers retailed 23,708 trucks in December, a record for the month, up 31.8 percent from 17,987 a year earlier. For the year, GMC sold 264,148 trucks, up 15.4 percent from 228,934 in 1982.

Sales of four-wheel-drive Jeep vehicles during December totaled 10,555, up 95.8 percent from 5,392 a year earlier. For the full year, Jeep sold 82,140 trucks, up 28.8 percent from 63,761 in 1982.

Big Three December, year-to-date sales

	December		Calendar Year	
	1983	1982	1983	1982
Ford				
Vans	15,560	9,803	169,285	125,478
Club Wagon	3,639	3,734	30,446	33,668
Ranger	15,940	10,193	187,524	104,396
Courier	.....	1,647	5,657	32,967
Bronco	4,788	4,174	42,631	41,228
Bronco II	6,512	.....	63,178	.....
Pickups	43,783	32,820	453,103	408,899
Mediums	3,308	3,376	32,424	44,911
Heavies	848	.....	7,705	.....
Chevrolet				
Vans	11,693	8,246	141,575	101,932
Sportvan	1,587	1,382	18,178	15,843
S-10	15,637	11,479	198,222	177,758
S-10 Blazer	12,622	3,831	106,214	8,161
LUV	.....	819	.....	22,304
El Camino	2,008	1,460	24,010	22,732
Blazer	3,828	1,697	31,282	24,103
Suburban	3,511	2,902	37,222	28,004
Pickups	39,871	25,966	412,533	393,277
Mediums	985	854	14,828	14,691
Tandem	28	.....	623	.....
Chrysler				
Vans	7,433	4,253	71,732	60,780
Voyager	3,334	.....	3,914	.....
Ram Wagon	3,017	1,596	36,626	28,486
Caravan	3,504	.....	4,260	.....
Mini Ram Van	16	.....	18	.....
Ram 50	2,640	2,877	33,141	34,614
Other Plymouth Trucks	100	875	7,139	11,042
Ramcharger	2,404	1,641	21,415	11,504
Rampage	551	1,549	10,297	17,067
Pickups	8,203	7,014	85,636	82,452
GMC				
Vans	3,044	2,406	45,535	27,661
S-15	3,141	3,174	40,491	39,358
S-15 Jimmy	2,939	638	21,760	1,229
Jimmy	886	471	7,361	6,574
Caballero	197	186	2,160	2,573
Suburban	1,210	994	11,292	9,490
Pickups	9,962	8,340	105,741	109,762
P Models	319	264	4,071	3,765
Mediums	1,370	1,106	18,295	20,123
Heavies	640	408	7,442	8,399

Ford to close factories in Dagenham and Cork

LONDON. — Ford last week (Jan. 16-20) announced closure plans of two plants in countries where it is market leader.

The Dagenham foundry in England is to shut down by April next year with the loss of 2,000 jobs. In Ireland the Cork assembly plant will close in the second half of this year, resulting in 800 additional layoffs.

Neither confirmation came as a surprise. Ford has long maintained that the foundry was uneconomic, and three years ago began a cost-cutting exercise which reduced manning by a half.

It is believed that Ford plans to switch from iron to aluminum for its engine and gearbox components, and that they will be made in Cologne rather than in the UK.

The decision has caused widespread fear among other Dagenham workers over the longer-term manufacturing future of the plant. Ford has always maintained that UK costs are higher than in Germany, Belgium or Spain, and the foundry decision is being interpreted as the beginning of the end. It will be fought fiercely by the unions.

The Cork plant produces only the Sierra model, though in earlier days before Ireland was a member of the EEC a full range was produced. But membership in the community has seen gradual reduction in tariff barriers for imports—they disappear completely next January —and Ford was the last of the large manufacturers with a production presence in the country.

Most of the 80 Sierras produced each day were sold in Ireland. The same model is also produced in the much larger Genk (Belgium) and Dagenham plants.

A first

SPRINGFIELD, Mo. — The first-ever Springfield Auto Show is scheduled for April 13-15 at the Trade Center. It will be sponsored by the Springfield New Car Dealers Assn.

'No automobile company can be an island today'

More joint ventures are predicted by Smith

DETROIT. — "No automobile company can be an island today," General Motors Chairman Roger B. Smith said in reference to his company's joint venture with Toyota Motor Corp. to produce a car in Fremont, Calif.

Smith spoke at the annual Detroit Auto Show Industry Dinner and said that more and more, companies like GM will be cooperating with other companies around the world to find the best ways of building products to serve their customers and protect their dealers.

Smith told the local dealers and their guests that GM "is prepared to take whatever steps are necessary" to provide products for its customers.

Smith predicted that this year's domestic car and truck sales will be 14 million units — 10.5 million cars and 3.5 million trucks.

He sees even brighter prospects farther down the road.

"Sometime in the mid-1990s, North American new-car and truck sales could reach 20 million units for the first time," Smith said. "In the same period, worldwide car and truck sales could reach 60 million."

That would be 22 million units better than the peak year of 1978, when the worldwide total was just over 38 million units, he said.

• Smith also discussed GM's Saturn Project, the no-model-year development program for a new family of U. S.-built cars.

Declaring that Saturn is more than just a car, he said, "Saturn is actually an attempt to find a new way of designing, engineering and building cars in this country — a way that will be cost competitive with foreign cars."

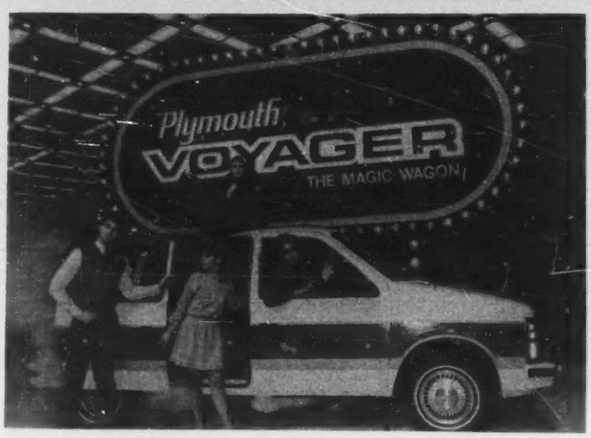
Smith said Saturn would bring about widespread use of modular assembly techniques and the role of GM workers will change.

"For instance, production teams will be standard in Saturn, and these teams will help determine how the work will be organized and carried out by the team members," he said.

If Saturn proves to be successful, Smith said, GM will apply the principles of the project across divisional lines.

"That means we'll eventually be producing all our products more efficiently, more effectively," he added.

Finally, Smith called for a renewed spirit of cooperation between auto makers and their dealers to more completely satisfy auto buyers.



Voyage with a mime troupe

A mime show at the Detroit Auto Show last week introduced the 1984 Plymouth Voyager. The Alice Dysart Fantasy Players demonstrated the features of the vehicle in a mini-show at the Chrysler-Plymouth exhibit.

Buick, Fisher workers veto overtime cut

By Marjorie Sorge
Labor Editor

Workers at the Buick assembly plant and the companion Fisher Body facility in Flint have rejected a company proposal which would shorten their workweek and return about 1,700 laid-off workers to the job by adding a third shift at those operations.

The company proposal called for workers at the plants to work four 10-hour days but to give up overtime pay. In exchange, Buick would add a third shift to the operations.

The UAW countered with a proposal requiring overtime pay for the time worked over 8 hours daily.

According to Jerry Butler, Buick labor relations, the UAW program would have made Buick non-competitive.

Last week, workers at the Buick assembly plant rejected the company's plan which would have returned about 600 workers to that facility. In the vote, 596 favored working the normal two shifts with overtime pay; 440 wanted the UAW's counter proposal while only 28 voted for the company plan.

A similar vote was held at the Fisher Body facility earlier this month and the company plan was also rejected. About 1,100 currently laid off from Buick assembly operations could have been called back at Fisher Body if the third shift were added. According to Buick, Fisher Body has already recalled its laid-off workers but would have provided jobs for some laid off.

UAW Vice President Donald F. Ephlin, director of the UAW's General Motors department, said the vote was "unfortunate" and "premature" and should not have been held.

"It wasn't binding on anyone," he said. "We don't go to the people with a vote until we have an agreement to ratify."

The changes in overtime would have to be approved by the international UAW since that issue is covered in the national UAW-GM agreement and that had not yet been done, Ephlin said.

But he said the workers in the two plants are not greedy in wanting to keep the overtime pay rather than help those laid off return, but were just fearful that Buick was taking advantage of that concept to make the overtime changes.

The Buick facilities will be closed for about six months next year to make way for the Buick City operation. Fisher Body will then be consolidated into the assembly plant and about 3,600 additional jobs will be lost.

The two plants have been working six days a week, nine hours a shift for about a year.

According to Butler, Buick is comfortable with its position on the overtime question and returning for more talks is up to the union. Ephlin said he hopes more talks will take place. He said the union proposal was a good one and emphasized that it lost by only a few votes.

Jeep honored

SOUTHFIELD, Mich. — The 1984 Jeep Cherokee Sportwagon has won 4 - Wheel & Off - Road magazine's "4x4 of the year" award for 1984.

Increases vary by maker

New Japanese quotas are listed

Late last year the Japanese government agreed to extend the period of restrictions on new-car exports to the U. S. from the original three years to four, to 1.85 million units for 12 months from 1.68 million.

Instead of an across-the-board increase per importer of the 10.1 percent indicated by the 170,000-unit growth, industry officials in both the U. S. and Japan suggested certain companies will be allowed higher numbers as others are held to more modest totals.

Although Japan's Ministry of International Trade and Industry has not verified the export levels it will allow the major auto manufacturers, Nihon Keizai Shimbun, a Japanese economic daily newspaper, reported the following allocations:

Toyota Motor Co. will be permitted to expand to 551,800 from its current limit of 516,659.

Nissan Motor Co. can anticipate 487,100 compared with 456,030.

Honda climbs to 372,400 from 348,631.

Toyo Kogyo increases to 173,500 from 159,282 Mazda imports into the U. S.

Mitsubishi Motors Corp. goes to 122,400 from 112,584.

Fuji Heavy Industries, Ltd. gets a 75,800 limit compared with 70,014 Subarus currently.

Isuzu Motors, Ltd., jumps to 50,000 from 16,800, and Suzuki Motor Co. will have a ceiling of 17,000. No Suzuki passenger cars have been sold in the U. S. to date.

• Isuzu numbers will be expanded by Isuzu cars to be imported by General Motors for sale by its dealers in late 1984. American Isuzu Motors launched its product line in the U. S. in 1981. Sales first were reported in March of that year and for the remaining months they added to 17,805. In 1982, Isuzu dropped to 15,462, rebounding to 20,722 in 1983.

Because the final quotas for the various companies are not yet confirmed, some speculate that Isuzu and Suzuki, both business affiliates of GM, can expect favored treatment over and above the totals Nihon Keizai reported.

GM has announced plans to import more than a quarter of a million subcompact cars from the two companies for model year 1985. Assuming a quota of, say, 47,000 Isuzu and Suzuki-built cars the first half of the period, would leave some 200,000 cars to be handled after the end of restrictions, March 31, 1985.

GM Chairman Roger B. Smith commented last week that the proposed ceilings may force his company to re-think its position.

The April 1 through March 31 restrictions year has been used since 1981 because it coincides with the fiscal year in Japan. The original agreement of 1.68 million was reached in May, 1981, with quotas per exporter determined the following August.

Shortly thereafter, a "vans" classification was added to the 1.68 million. It included Toyota's Corolla station wagon and Land Cruiser, Subaru's BRAT, Suzuki's Jimmy and Mitsubishi's Colt station wagon and amounted to 82,500 units over and above the 1.68 million.

In the world of expanding and shrinking numbers, Nissan, which is currently held to a shipment level of 456,030, reported record sales of passenger cars in the U. S. for a calendar year. Nissan's 1983 total mushroomed to 521,902.

Since the beginning of the current restricted year, April 1, 1983, Nissan dealers have retailed 386,169 new cars, leaving the company only 69,861 units to spread out over the upcoming January through March quarter.

Since April, 1983, Toyota sales add to 419,812 (including Land Cruisers and station wagons); Honda stands at 287,829; Mazda's total is 127,905, and Subaru has 118,198. Subaru also reported a sales record (156,840) in calendar year 1983.

Public comment slated on FTC used-car rule

WASHINGTON.—The "known defects" section of the FTC's Used Car Rule will be open to public comment until the end of January, the FTC has announced.

The Jan. 31 deadline will extend for 15 days the comment period on whether dealers should be required to disclose warranty terms and known defects on a sticker posted in the window of each car offered for sale.

The FTC issued such a rule in August, 1981, but Congress vetoed the rule in May, 1982. However, the Supreme Court decided last July that a legislative veto of this type is unconstitutional.

The FTC's record on the Used Car Rule was reopened at the direction of a U. S. Court of Appeals, under the terms of an agreement between the FTC and lawyers for Miller Motor Car Corp. Miller Motor Car filed a challenge to the rule's known-defects provision.

The extension of the comment period was granted by the FTC at the request of NADA, the National Independent Automobile Dealers Assn. and the Committee on Consumer Affairs of the Assn. of the Bar of the City of New York.

A 20-day period for rebuttal statements will follow the close of the initial comment phase on Jan. 31, the FTC said.

index

Auction reports	40, 41
Classified advertising	42
Editorial page	10
Personnel	8
Production by makes	54
Service highlights	20
Truck highlights	16

59th year — No. 5005

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Wash. Auto Show sets attendance mark

WASHINGTON.—The 42nd annual National Capital Area International Auto Show at the Washington Convention Center here broke the attendance record set last year.

Final figures show 260,000 persons visited the show, surpassing last year's attendance of 249,000.

Dealers with heart

W. H. Robinson, president of Robinson Brothers Lincoln - Mercury, Mobile, Ala., presents a check for $2,025 to Virginia McClinton, president of the Mobile Division of the American Heart Assn. For every car sold in the last three days of December, the dealership donated from $25 to $100 to the heart association.

Spending plans trimmed by auto makers

Can the U. S. meet or beat the Japanese in new products?

By Kathleen Hamilton
Jenny King
and Mary Beth Mayer

It was to have been an $80 billion five-year spending plan — comparable to the post World War II Marshall Plan in today's dollars, more than enough to put a man on the moon and sufficient to transform all of Detroit's gas-guzzling behemoths into fuel-miserly front-drive models packed with high technology.

It isn't turning out quite that way.

Best guesses now put capital spending by Detroit's Big Four at something short of $55 billion for the 1980-1984 period; that includes their non-automotive and overseas spending, and doesn't include investments of Nissan and Honda in the U. S.

Indeed, extrapolating Department of Commerce figures for the five-year period shows only about $44 billion will be spent by U. S. vehicle manufacturers and parts suppliers by the end of this year.

Missing the original target by about half isn't necessarily a sign that the U. S. auto industry has failed, but rather that the market has changed, inflation has abated and the strong dollar buys more overseas.

True, the auto downturn trimmed capital spending plans, especially at Chrysler Corp. and at many supplier firms which were forced to diversify away from automobiles or close their plants.

On the other hand, easing of fuel prices in the U. S. unexpectedly buoyed big-car sales. That allowed General Motors and Ford Motor Co. especially to delay major expenditures by prolonging the lives of their aging big, rear-drive cars.

Phil Fricke, automotive analyst for Goldman Sachs, believes there's another important reason why automotive spending fell far short of stated goals: "Those early numbers ($80 billion) were crazy numbers," meant for consumption of the UAW and to grab headlines.

"I don't think much thought went into them," Fricke says.

Even $44 billion is staggering, however. In an industry that needs to shell out 6 percent of its sales on capital spending in a normal year (according to American Motors president Jose Dedeurwaerder), GM sank a phenomenal $9.7 billion — fully 15 percent of sales — into new plants, tooling and equipment in 1981.

Since 1980 GM has never spent less than 10 percent of its sales on plant and equipment.

Much smaller AMC put 12 percent of its sales into capital spending in 1982, and even Chrysler surpassed the industry norm in 1980 when capital spending accounted for 9 percent of its sales.

Fricke expects GM to invest another $6.5 billion this year (while warning that his prediction is very tentative). David Healy, auto analyst at Drexel Burnham and Lambert, forecasts a more modest $5.5 billion for GM this year but then $7 billion to $7.5 billion in 1985.

In either case, big-buck spending at GM will ebb when the front-drive N-cars (between the current A and J bodies in size) begin rolling and the first B-cars (Olds 88 and Buick LaSabre) are transformed into front-drive. Both events are scheduled to occur in the 1985 model year.

From then on GM will be able to use front-drive components that are already in place and refine its products. Even major product projects won't cost as much.

As GM goes, so usually goes the rest of the U. S. industry. Although both Chrysler and AMC have major projects in the works, their spending will remain small compared to GM's.

Ford chairman Philip Caldwell has said last year's spending level of $2.5 billion probably will be beaten this year. Healy says Ford could spend up to $3 billion this year and again next year. Fricke says Ford's capital spending this year could top its 1982 record of $2.97 billion.

Improvements at the Rouge steel works alone will add $400 million to Ford's spending in the next two years. Like GM, Ford was able to stretch the lives of its big rear-drive cars beyond 1985, its initial phase-out schedule.

It looks as if U. S. auto makers will be flush enough to generate more than the cash they need to finance their capital spending needs in the medium term.

Fricke goes so far as to say GM is "hemorrhaging cash," and that the cash flow from each of the Big Three is "staggering."

He doesn't track AMC, which admits it will have a harder time because of its limited product lineup.

The best news for AMC is that Renault's future product plans are in better shape than many European manufacturers, according to John Lawson, economist at Data Resources Inc., Europe.

Renault's close ties to the French government give it access to funding for future products at a time when a flat European market and stiff competition have squeezed many makers' abilities to fund product plans, Lawson says.

Of European companies, only Ford of Europe is making huge profits, although GM's European operations are in good shape, he says.

In the foreseeable future, Fiat and Renault will make money on cars but lose it on trucks, while Volkswagen will generate cash in Europe but lose it especially in Latin America and on its office-products unit, Lawson says.

Despite its troubles, French company Peugeot spent 7 percent of its sales on capital equipment in 1982 and plans to keep capital spending at about $600 million through 1985.

The Japanese have set a fast product pace by shortening the life cycles of its cars to four or five years instead of the traditional six or seven, AMC's Dedeurwaerder points out.

But where Americans will be blessed with an expanding market in the medium term, the Europeans will be cursed with a flat one.

That means European auto makers will be shopping for sources of outside financing.

The massive financial needs of the auto industry will not be able to be filled by banks, Lawson predicts. Some European new-model launches have already been eliminated. Other products have had their lifespans lengthened with updates.

European makers' plans are still very ambitious compared to the size of their market, so they likely will be scaled back, Lawson says.

• The real question for the U. S. auto industry is whether it will be able to match and surpass the Japanese in new products. Analysts in the U. S. are upbeat.

"Domestic companies definitely will be able to compete with the foreign makers," says Mike Luckey, economist for Merrill Lynch Economics. "Our industry has gotten a lot more competitive over the last three or four years, especially in its quality ratings. We will become even more competitive with the Japanese and Europeans, especially in the area of improved production techniques."

Capital investment by Japan's auto industry is expected to drop nearly 8 percent this fiscal year, according to a government survey quoted in Metalworking News.

Fiscal 1983 capital spending of $4.2 billion by Japan's auto industry is surprisingly low when considering the U. S. auto industry spent $7.32 billion, according to Department of Commerce figures.

But as Robert Cole, project director of the Joint U. S.-Japan Automotive Study at the University of Michigan points out, the Japanese figures may include only Japan's largest suppliers. With an industry heavily dependent on mom-and-pop operations and multiple layers of suppliers, actual investment in Japan is hard to track.

A whole new industry may spring up to provide warehousing for just-in-time supply of materials and parts.

For the same reason, capital spending of three of Japan's auto giants, whose stocks are traded in the U. S., turns out low (see accompanying table). Figures are for parent companies only, and much of the capital spending is done by their myriad associated firms.

Cole guesses Japanese capital spending figures should be inflated 20 percent in order to compare them accurately to U. S. spending.

If U. S. auto manufacturers are in good shape for their spending needs, U. S. suppliers are not.

The recession forced many out of business and encouraged many more to diversify away from autos. Just-in-time parts and materials supply has forced vendors to maintain larger inventories and in many cases to change their production facilities and to build nearer auto assembly plants.

And the just-in-time push has barely begun. Arthur Davis, analyst at Prescott, Ball & Turben, points out that Buick City in Flint will be using the inventory system by 1985. He expects the rest of the industry will have embraced it fully by 1987.

A whole new industry may spring up to provide warehousing, Davis says.

Because auto companies will want to use their own plants whenever possible, the current upturn will not necessarily benefit suppliers as it has automakers.

In addition, many suppliers suggest U. S. makers will continue to turn to foreign suppliers. Econobox cars are especially adapted to worldwide sourcing, Davis says. Imported steel is already taking a quarter of

Continued on Page E-3

CAPITAL SPENDING INCLUDING SPECIAL TOOLS (in millions)

	1979	1980	1981	1982	1983	1984	1985
GENERAL MOTORS							
Capital Spending	$ 5,390	$ 7,762	$ 9,741	$ 6,212	$4,800/E[1]	$6,500/E[1]	
Sales	66,311	57,728	62,700	60,000			
Capital Spending as % of sales	8%	13%	15%	10%			
Profits (Loss)	2,896	($763)	333	963			
FORD							
Capital Spending	$ 3,440	$ 2,769	$ 2,227	$ 2,968	$2,500/E[2]		
Sales	43,514	37,085	38,247	37,067			
Capital Spending as % of sales	8%	7%	6%	8%			
Profits (Loss)	1,170	($1,543)	($1,060)	($658)			
CHRYSLER							
Capital Spending	$ 749	$ 835	$ 456	$ 374	$1,800/E[2]	$1,800/E[2]	$2,000/E[2]
Sales	12,002	9,225	9,972	10,045			
Capital Spending as % of sales	6%	9%	5%	4%			
Profits (Loss)	($1,097)	($1,710)	($476)	170			
AMC							
Capital Spending	$ 62	$ 97	$ 186	$ 335	$ 250/E[2]		
Sales	3,192	2,553	2,589	2,878			
Capital Spending as % of sales	2%	4%	7%	12%			
Profits (Loss)	71	($201)	($137)	($154)			

1. Estimates by Philip K. Fricke, Goldman Sachs.
2. Estimates by makers.

CAPITAL SPENDING (In millions)

	FY/1979	FY/1980	FY/1981	FY/1982	FY/1983	FY/1984
TOYOTA (Fiscal years end June 30)						
Capital Spending	$ 600	$ 600	$ 1,334	$ 833	$ 798	$792/E[1]
Sales	14,012	13,241	16,697	16,040	20,386	
Capital Spending as % of Sales	4%	5%	8%	5%	4%	
Profits	600	574	632	590	839	
NISSAN (Fiscal years ended March 31)						
Capital Spending	$ 584	$ 477	$ 722	$ 829	$ 862	
Sales	11,533	10,955	14,363	13,328	13,282	
Capital Spending as % of Sales	5%	4%	5%	6%	6%	
Profits	327	350	409	359	398	
HONDA (Fiscal years ended Feb. 28 or 29)						
Capital Spending	$ 350	$ 251	$ 447	$ 489	$ 711	$583/E[2]
Sales	5,179	5,231	7,980	7,846	9,292	
Capital Spending as % of Sales	7%	5%	6%	6%	8%	
Profits	70	111	441	274	301	
	200 yen =$1.00	250 yen =$1.00	210 yen =$1.00	240 yen =$1.00	240 yen =$1.00	240 yen =$1.00

Note: All results on an unconsolidated basis.
1. Toyota estimate, 1983 annual report.
2. Yamaichi Securities Co. estimate, September, 1983.

CAPITAL SPENDING (In millions)

	1979	1980	1981	1982
RENAULT				
Capital Spending	$ 1,109	$ 1,487	$ 1,401	$ 1,276
Sales	17,074	17,686	15,392	15,469
Capital Spending as % of Sales	6%	8%	9%	8%
Profits (Loss)	253	141	($119)	($190)
	4.0 francs =$1.00	4.5 francs =$1.00	5.7 francs =$1.00	6.7 francs =$1.00
VOLKSWAGEN				
Capital Spending	$ 1,789	$ 2,178	$ 2,132	$ 2,028
Sales	17,718	16,941	16,644	15,513
Capital Spending as % of Sales	10%	13%	13%	13%
Profits (Loss)	385	164	60	($125)
	1.7 DM =$1.00	1.9 DM =$1.00	2.3 DM =$1.00	2.4 DM =$1.00

Japan springs from copycat to competitor

U. S. is sole leader only in bumpers and crashworthiness

The U. S. and Japan are neck-and-neck in the race to develop superior automotive technologies.

That should not be consoling news to the domestic auto industry. It is Japan — not the U. S.—that has made great technological strides in the last decade and, in fact, leads the U. S. in certain developmental areas, according to a comprehensive study by management consulting firm Booz Allen & Hamilton.

"Looking at technology as it is related to cars for the U. S. market, we have a situation where the U. S. is at parity with the Japanese and with leading European countries," said Jim Mateyka, a Booz Allen & Hamilton vice president.

"That's a fairly big jump from 10 years ago when Japan was viewed as the copycat. Japan wasn't at parity then—but it is now."

The Booz Allen study combines analytical research with a survey of U. S. auto suppliers and numerous interviews with leading engineers at world auto companies that sell vehicles in the U. S.

• The research rates the development of modern technology by U. S., Japan and European auto makers in 13 key areas—Body, Gasoline Engines, Engine Components (such as turbochargers and fuel-injection systems), Transmissions, Wheels and Tires, Electronics, Emission Controls, Final Drive Systems, Brakes, Suspensions, Bumpers (including vehicle crashworthiness) and Steering.

Japan emerged as the technological leader in four areas—Gasoline Engines, Diesel Engines, Electronics and Suspensions.

"We have Japan becoming the world leader in small gasoline engines for several reasons," Mateyka explained. "First, they have dealt with the emission and fuel-economy requirements (of the U. S. market) by dealing first with the basic engine technology. And now they're adding electronics and doing additional work with friction reduction, noise/vibration/harshness and alternate engine materials (such as ceramics).

"The U. S. is trailing Japan ever so slightly, mainly because the U. S. took a reverse approach. Since our electronics technology was ahead, we improved our engines by slapping on electronics, rather than getting at the basic combustion."

Europe was rated at par with the U. S. on engine technology, largely because of products made in West Germany—a "formidable talent," Mateyka said. But German engines are expensive and "over-designed" for the U. S. market's 55-mile-per-hour speed limit, he added.

Not surprisingly, a large percentage of European automotive leaders cited the U. S. 55-MPH speed limit as the biggest factor inhibiting future development of advanced engines and automobiles by U. S. makers.

"They felt that U. S. development would not keep pace with the competition because of 55," Mateyka said.

• Japan has a dramatic lead over the U. S. and Europe in the development of diesel engines, the Booz Allen survey concluded. That technology gap is expected to widen in future years because of fuel prices and taxation in the U. S.

West Germany is the only country considered at parity with Japanese companies on diesel technology. Italy could become a strong force, the study noted, because astronomically-high gasoline prices have created a strong home-market demand for diesel-powered cars.

Japan, as might be expected, is also the world leader in electronics, both in control systems and in "an almost zealous commitment to electronics in terms of displays," Mateyka said. The Japanese technology base and the home-market demand for electronics is much stronger than in any other country, he said.

"We have the U. S. running a reasonably strong second, but with some reservations on the part of U. S. makers on how far they want to go," Mateyka added. "None of those reservations were seen in the Japanese."

Although Europe has a strong group of electronics suppliers, it still rates a distant third, largely because there is no home-market incentive for European auto manufacturers, the survey said.

In terms of current product sold in the U. S., Japan also has the lead—albeit a precarious one—in suspension technology. Japan has or is incorporating its advanced electronics into suspension systems and has introduced medium-priced automobiles with adjustable suspension systems (Mazda 626 and Nissan 300-ZX, for example).

"If you look at the supplier base and some of the innovations, the United Kingdom and France have the technology experience lead but the Japanese are ahead with the implementation of electronic controls," Mateyka said.

"The U. S., while trailing, has gotten religion in this area and we're beginning so to see some really dramatic movement (such as gas filled shocks and air suspension). I think the U. S. will catch up but Japan is ahead and Europe has a strong technology base."

The U. S. is also playing second-fiddle in the development of Final Drive Systems, the Booz-Allen report concluded. Europe in general, but West Germany in particular, lead the world in this category. Audi's 4WD Quattro is a good example, Mateyka said, more sophisticated than U. S. 4WD vehicles. British-based GKN and its subsidiaries still control most of the constant-velocity joint technology.

Despite Subaru, a volume 4WD vehicle builder, Japan still rates third. The Japanese supplier base for the most part remains licensed by GKN.

Said Mateyka: "The U. S. will close the gap (with Europe) but first there will be many new imports (with 4WD) to open the market in the U. S."

Booz Allen rated the U. S. the sole leader in only one area, that of bumpers and crashworthiness. The U. S. industry has built a solid technology base on the subject, largely because of pressure from government regulations.

Here are the Booz Allen & Hamilton findings on the last six categories of vehicle development:

• Body: The U. S. and Japan are seen at parity. Domestic makers have an edge in computer-aided design and in corrosion resistance, while Japan can claim superiority in body-stamping technology (though Booz Allen felt that the GM-Toyota venture might lead to domestic body-stamping improvements). The U. S. is also becoming a world leader in sophisticated steel-frame plastic-body designs such as the Pontiac Fiero.

• Transmissions: "One of the hot areas during the next 10 years," Mateyka said. The U. S. and Germany are equals here, he said. As expected, the U. S. leads in automatic transmission designs, while West Germany has clear superiority with its manual gearboxes.

U. S. makers—namely Ford and GM — are experimenting with CVTs (continuously variable transmissions), while West German makers are studying both CVTs and lay-shaft designs. Both are expected in practical use during the mid to late '80s. CVTs are suitable for smaller cars with engines that transmit small amounts of torque. Lay-shaft designs are more suitable for rear-drive performance cars and applications where space is not a prime consideration.

• Brakes: The competition here is among world-class suppliers. The leaders are Bendix and Lucas Girling, according to Booz Allen. The Japanese are followers, licensees for the most

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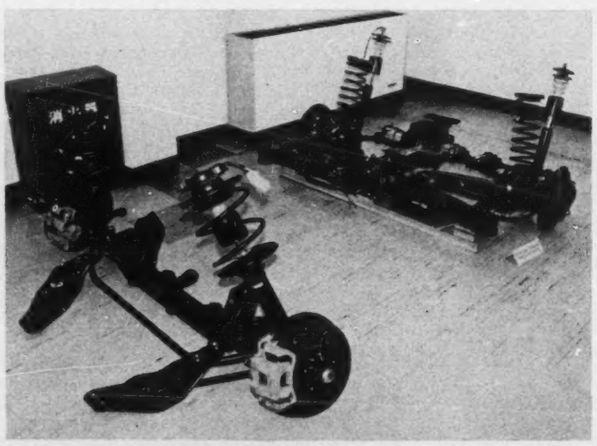
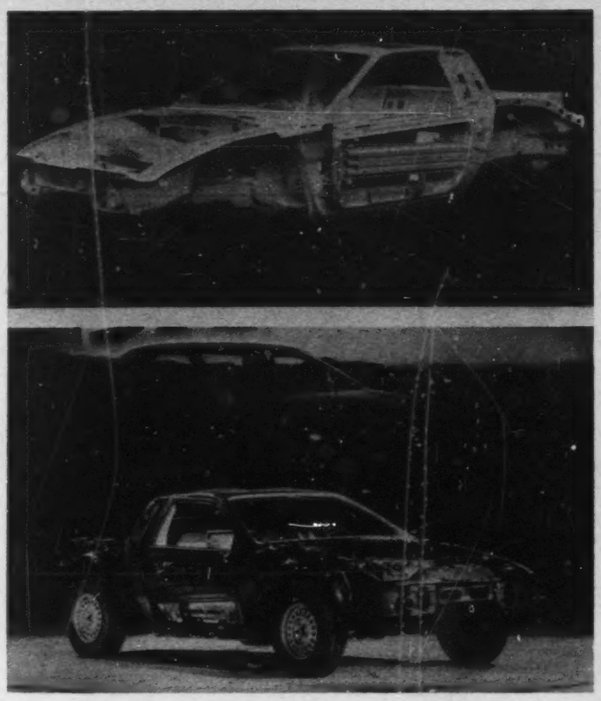


The Japanese auto industry has taken the lead with its practical applications of modern suspension technology. Shown here is the adjustable suspension of the Nissan 300-ZX.



One reason U.S. auto makers are rated at parity with the Japanese companies in body development is the domestic auto industry's introduction of plastic body/steel frame cars such as Pontiac's Fiero model. The space frame (top) is the structural framework of the car. During production, the space frame, chassis and powertrain are assembled into a driveable chassis (bottom).

Cars such as Audi's new 4000S Quattro, recently introduced in the U.S., give Europeans — notably West Germans — an edge over U.S. auto makers in all-wheel-drive performance cars. A Booz Allen & Hamilton study of world automobile technology recognizes this as a threat to domestic makers.

Spending

Continued from Page E-2

the U. S. market, according to Inland Steel.

A study by Arthur Andersen & Co. predicts the next auto slump could cut the number of U. S. auto suppliers by a quarter.

Suppliers plan to invest 5 percent of their sales in plants and equipment in the 1983-1992 period, according to the study.

But they also plan to reduce the automotive portion of their total sales, Arthur Andersen reports. Today's auto supplier has 30 percent non-automotive sales volume; by 1990, non-auto sales are expected to be 40 percent.

Both suppliers and auto makers believe the makers will bring electronics and powertrain components in-house while outsourcing subassemblies.

Peter Zaglio, auto analyst at Lehman Brothers, thinks auto makers are making a big mistake by not taking advantage of machine toolers' unused capacity.

"They could be buying machine tools for half price right now. Their capital spending has picked up, but not enough for me," he says.

Therein lies a big controversy: Did the U. S. makers really trim their product plans significantly because of financial pinches or did consumer demand for larger cars cause most of the stretchout?

Zaglio and Merrill Lynch's Luckey stand on one side, Goldman Sach's Fricke represents the other. But just as important as how much will be spent is the question of how the companies will spend it. Is flexibility really being built into the plants?

The answer here is clearly yes. The industry's adoption of turbochargers instead of bigger engines is a prime example. Chrysler's multiple adaptations of the K-car is another. And it would have been hard to believe even three years ago that Ford would build Escorts and Crown Victorias on the same line.

Fricke offers yet another example: Chrysler this year will develop 1.8 and 2.5-liter derivatives of its 2.2-liter engine, then go on to turbocharge them. That's flexibility. □

Joint ventures may be path to survival

But it's not a route for the poor or the meek

By Roger Rowand
Engineering Editor

Automotive industry members that survive the competitive years ahead will be those that maximize the effectiveness of capital.

One way the spending of dollars will be made most effective will be through use of joint ventures, a growing number of authorities agree.

That may be a route down which only the more venturous will dare to tread. But guidance and down-to-earth advice are available from at least one executive of a company making the joint venture move.

He is Frank P. Vince, vice president, product strategy and forecasting for Control Data Corp., (CDC) Minneapolis. His remarks came at a seminar for auto executives that was run by the Aluminum Assn. at a Michigan State University graduate study facility in Troy, Mich.

He described CDC's experiences in joint venturing and offered what might be considered a cram how-to-course. Vince is an individual who does not pussyfoot around a topic when it comes to joint ventures.

CDC is a member of Microelectronics & Computer Technology Corp. (MCC), based at the University of Texas in Austin. It was incorporated in August, 1982, with 13 members and now is in its build-up phase.

MCC is developing what Vince calls very basic tools and technology. Its members will take those tools and that technology from MCC and establish products. MCC itself will create no products, Vince said.

Frank Vince says the U.S. could lose its $8 billion favorable trade balance in microelectronics.

He was emphatic in describing the importance of the joint venture. And, while not saying so directly, he left the implication that executives in his automotive managerial audience should consider taking the joint venture route.

"If you don't have your upper management's concurrence — pro-active support—don't do it. Someone will come down the road a year or two later and convince management it wasn't a good idea. That's happened already at MCC.

"Don't get with somebody in a joint venture if you don't have the money to play the game," Vince said.

"The world environment we in electronics find ourselves is one that's similar to a race among members of the microelectronics and computer technology industry.

"It's really a race to stay in the race, to stay up with the leaders whoever they happen to be at any given time. You never have the same leader at all points in time. And, it's a race around the world, not just in the U.S. It's a race with the French, Germans, Japanese, Italians, Canadians and ourselves. And you might want to count the Russians, but they'll wait until the end of the race and steal the trophy. They're in the race but rather tangentally," Vince said.

He described several international cooperative working arrangements but said Japan has set a national goal of becoming the world's supplier of microelectronics technology.

"If they win that race, we will depend on the Japanese for microelectronics in practically every product we'll be making in the 1990s and beyond. Today, the U.S. produces $1.5 trillion of products a year which contain microelectronic circuits and technology. That happens to be the just-approved national debt which gives you an idea that it's a fairly good-sized chunk of money.

"In 1965, the U.S. had 55 percent of the microelectronics world market. In 1983 we have 60 percent. It is projected that by 1990 we will be somewhere

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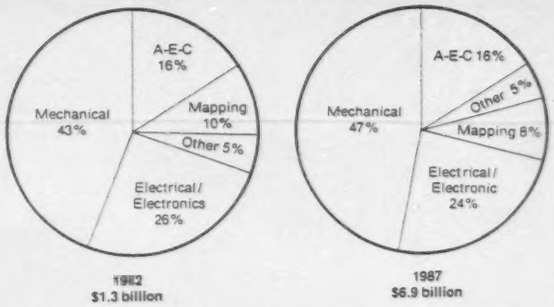
CAD MARKET BY APPLICATION, 1982 & 1987



By 1987 the market for computer-aided-design equipment will total about $6.9 billion, up from $1.3 billion as recently as 1982, according to the Yankee Group.

CAD market capers

Young industry to mature rapidly

BOSTON. — A well-known technology and market analysis firm here says the computer-aided design (CAD) market will reach $6.9 billion by 1987. CAD industry revenues were $1.3 billion in 1982 and the CAD market is expected to grow at 40 percent annually through 1986, the Yankee Group says.

The markets for CAD systems can be grouped into four major categories: Electrical/electronic (including integrated and printed circuits design); mechanical; architectural / engineering/construction (AEC); and mapping.

With development of powerful 32-bit-based work-stations, computer-aided engineering (CAE) has emerged as a rapidly expanding market segment.

"The market is extremely young, and is currently dominated by a growing handful of aggressive start-up companies," according to Glen Allmendinger, a senior analyst with the Group. Like CAD, the CAE market has mechanical and electrical/electronic segments.

Attention in the CAE market, focused on the more recession-proof electronics segment, will switch to the mechanical segment as smokestack industries emerge from the recession and increase capital equipment expenditures.

CAE work-stations will experience explosive growth, coupled with price reductions up to 50 percent over the next five years. Allmendinger says, "We estimate the average cost per CAE workstations will drop to $30,000 by 1987 and that CAE will go from 3 percent to 20 percent of the overall CAD market." □

Suppliers

Continued from Page E-6

switched the location of inventory from auto plants to supplier plants: "We have to make and hold inventory to make sure we have what they need when they need it. Just-in-time is fine as long as everything goes well, but somewhere there has to be some inventory in case of a disaster or problem on the line. It changes the location of inventory, but there also is less. A reasonable amount of inventory is required at some point."

Duane Dunham, marketing manager of Bethlehem Steel Corp., says the automotive industry offers "a lot of opportunity domestically." Bethlehem has spent $60 million to build a new continuous heat-treating line at its Burns Harbor, Ind. facility. The new plant begins operation in January.

The new plant has the capacity to process 600,000 tons of cold-rolled high-strength sheet steel annually. "This is to meet the clearly stated need for reliable uniform mechanical properties," Dunham says.

According to Dunham, the move to just-in-time delivery is difficult in some cases, but not in others. "It's got to be a two-way street to be beneficial. In some cases we do have inventory. You have to plan together," he says.

• Dick Scofield, director of marketing for the Forging Industry Assn., is not quite sure there will be a market boom. "Give us an order. We're starving. We certainly hope there will be a boom," he says.

While 1982 was a poor year for the forging industry, things began to pick up in 1983. "I don't think we'll ever see another 10 million year like in the '70s," says Scofield.

The forging industry has been severely affected by imported cars and purchasing of forgings from overseas. Use of smaller engines (more four and six cylinders) and front-wheel-drive has reduced the need for forgings. Also, increased substitutions of non-metal products have hurt the forgings business.

"The forging industry is extremely well-equipped and ready to handle an increase in the general economy. We hope it is not a dramatic surge. We hope it's a steady build-up. But there is sufficient forging capacity," Scofield says.

The forging industry has seen some expansion over the past 10 years. While individual plants and companies have expanded, there has not been a surge for the entire forging industry, however. "Old equipment is not necessarily bad equipment. Over the past 10 years we have updated, using state of the art automated equipment," Scofield notes.

Looking to the future of forgings, Scofield says, "We've got to sell smarter and they've (auto companies) got to purchase smarter. We've got to make our people more aware of technology and we've got to communicate better."

Scofield says auto makers lost contact with the market over the past decade. "GM, Ford and Chrysler have made a comeback. They have new products and better quality."

At Thermofil in Brighton, Mich., Walt Maruszczak, technical service representative says, "We predict (automotive) growth for the next two years will be tremendous." He bases his prediction on the increased use of plastics, and cites the new Pontiac Fiero with plastic exterior body panels as a prime example.

"There will be a boom through '84, but it may peak out in '85. In '85, sales may be hurting once again," Maruszczak predicts.

Thermofil, a supplier of injection molding extrusions and reinforced thermo-plastic connectors, has modernized its plants and equipment to meet the expected boom. The company recently purchased a new 250,000 square-foot facility near its headquarters in Brighton. Another facility is located at Santa Ana, Calif. "We are located strategically to meet the market places on the east and west coasts," Maruszczak says.

Thermofil will broaden its materials lines for further applications and utilize the most sophisticated extrusions. "We're one of the largest thermoplastic manufacturers in the country," he says.

• Last September, at the annual meeting of the American Die Casting Institute, president Peter Findlay said he was cautiously optimistic about the future. By year-end the picture looked much brighter. "It's been a good 12 months. There's been a definite turnaround and 1984 looks encouraging. Some companies are at an all-time high and 1983 could be the best year for some," Findlay says.

Findlay, whose association represents 260 companies including custom die casters and suppliers, notes, "During 1982 there was quite a lot of new tool building. It's still continuing and more new tooling orders are coming in."

Findlay says today's die-casting buyer is more demanding in terms of quality, delivery and service compared with a decade ago. "We've moved from a seller's market to a buyer's market. It is very competitive and the competition overseas has played a part in the competition," he says.

Findlay adds, "One increasing influence during the year has been the growth of imported die-castings as components, as sub-assemblies and as parts of finished consumer products. This growth reduces potential domestic markets for die casting. This is of concern not only to die castings, but to domestic metal suppliers."

The answer to the problem, according to Findlay, is "diversification into new markets, probably involving high-tech products and subsequent machining and assembly operations and a broader range of alloys which offer improved physical and mechanical properties. These are the types of products which will tend to be less vulnerable to overseas competition."

He also says tooling now is used for up to three years, unlike previously when the auto companies made annual changes. This indirectly improves quality and makes economic sense, he notes.

Findlay says, "The auto industry had to face up to very strong competition from overseas products and a very loud and clear message from consumers for smaller, efficient, more utilitarian products, and to keep the sticker price down.

Fernley Alofs of Grand Rapids, Mich., says his company, Alofs Manufacturing, is prepared for a market boom. The company has made two expansions at its plant during the past three years, adding 30 percent more space to its 10,000 square-foot facility.

Alofs, a family-owned business celebrating its 60th year in 1984, produces stampings and assemblies including shift mechanisms and brackets. It has also entered a new market — copper brazing — producing brazing joints.

Alofs says, "We expanded our facility three years ago and wondered at the time if it was a mistake. But now we're ready. We're looking to expand equipment and floor space again."

Alofs is cautiously optimistic about the future, questioning how long the boom will last: "We are building a better car today and there is a pent-up demand. We may have a surge here for a year or a year and a half, then it will level off."

Alofs says GM expects more from suppliers with stringent requirements in quality and delivery. Alofs' computers are tied directly into GM for scheduling and inventory control. "We're going to see more of this. This is just one step to speeding up the process of ordering and delivery," he says.

The company also utilizes statistical quality control. Alofs says, "This is a big challenge for everybody. It's fairly new and a lot of people don't understand it. It'll take time to see the overall effects." □

Tire industry will strain to meet demand

Goodyear chairman says it will be pushed to capacity in '84

The new car buying spree expected to continue into 1984 should reverse a 10-year trend toward older cars on American roads and contribute to the best U. S. autc tire sales year since 1979, according to the chief executive of the world's largest tiremaker.

"U. S. auto makers are expected to produce about 7.3 million autos in 1984, after building a respectable 6.80 million autos in 1983, and this infusion of new blood to the U. S. auto fleet could reduce the average auto's age to about 7 years," says Goodyear chairman Robert E. Mercer.

The average age of U. S. autos in use steadily increased from 5.7 years in 1973 to 7.2 years in 1983, as Americans put the brakes on the frequency of buying autos.

"Now consumer confidence is back in the U. S. and this confidence is reflected in auto showrooms and in miles being chalked up on the highways," Mercer says.

"A slimmed-down tire industry will have to push its capacity in 1984 to meet the expected total demand for 187 million auto tires, including 4 million exports — the largest requirement for tires in five years," Mercer says. "This would represent an increase of more than 2 percent above the 183.2 million auto tires sold in 1983."

In 1984 demand for original equipment tires could increase 5 percent to approximately 47 million auto tires from 44.7 million tires in 1983, Mercer says.

In contrast, expected demand for replacement auto tire sales will remain relatively flat in 1984 at 136 million tires versus 135 million tires sold in 1983, he says.

It is expected that the replacement market, currently up to 70 percent radials, will remain a slow growth area as radialization continues to 75 percent in 1984 and tops out at 90 percent by 1990, he says.

"Motorists are driving more miles as the economy improves and as fuel costs remain stable and in good supply," Mercer says. "In 1983 miles driven per registered vehicle should total 9,382; reach 9,471 miles in 1984 and climb to 9,800 miles by 1988."

Government figures indicate U. S. motorists will drive 1.170 trillion miles in 1983 and increase this mileage at an average annual rate of 2.5 percent over the next five years to 1.325 trillion miles in 1988.

Goodyear's chairman says the truck manufacturing recovery has lagged behind autos, but now it is gathering steam spurred by the 1982 Surface Transportation Assistance Act.

"With this piece of deregulation, we are seeing major fleet operators begin to make purchases of new equipment as they restructure their fleets, which will increase demand for truck tires, radial in particular," Mercer says.

An increase of 10 percent in total U. S. truck sales is expected in 1984 to 3.3 million compared with 3.0 million trucks in 1983, he says.

The Goodyear chairman says this will bring the market for original equipment truck tires in 1984 up to 5.7 million compared with 5.2 million truck tires in 1983. In the truck tire replacement market, demand should increase slightly to 29.9 million tires from 29.6 million tires a year ago, he says.

Discussing tire imports, Mercer says that as long as the dollar remains strong, the U. S. will be a prime target for imports. According to Dept. of Commerce figures, 22 percent of radials sold in the U. S. replacement market this year were imported.

Goodyear also imports tires to counter foreign competition, and recently introduced a domestically made radial tire called the G Metric as an "import fighter" for the growing U. S. import car replacement tire market.

Another phenomenon involving foreign competition Mercer sees is the "strange bedfellow" relationship developing whereby many major U. S. tire producers have entered into joint ventures with foreign tire makers. He cites the sale by Firestone of its truck tire plant in Tennessee to Japan's Bridgestone which now is making Firestone brand tires.

Discussing Goodyear, Mercer says the company's domestic and foreign operations shipped more tires in 1983 than in 1982, despite depressed economies in several parts of the world. Market share gains in several tire lines are responsible for this performance, he says.

The U. S. recovery is taking longer than expected to spread overseas, he says, and there will be only a few bright spots in the rest of the world economies during 1984.

"In the U. S., auto companies have introduced more high performance cars to their 1984 model lines than in anytime in the industry's history," Mercer says.

In the replacement tire market, higher performance tires in 1984 will represent 12.5 percent of the total market, he says.

On supplying the increasing tire demand, Mercer says Goodyear is committed to meeting both the tire market and its distribution network needs for 1984 and beyond with a strategy

Continued on Page E-11

Expanding electronics role

Drivetrain controls will spark growth

Regardless of the direction taken by U. S. car sales in 1984, Detroit's emphasis on high-tech cars featuring computerized controls will jump the market for non-entertainment automotive electronic devices from $1.06 billion in 1982 to $4.6 billion in 1988 (in constant dollars), says a new study by Frost & Sullivan.

The report divides the market into five distinct categories: Comfort and convenience items, safety and security devices, instruments and displays, drivetrain controls and electrical components.

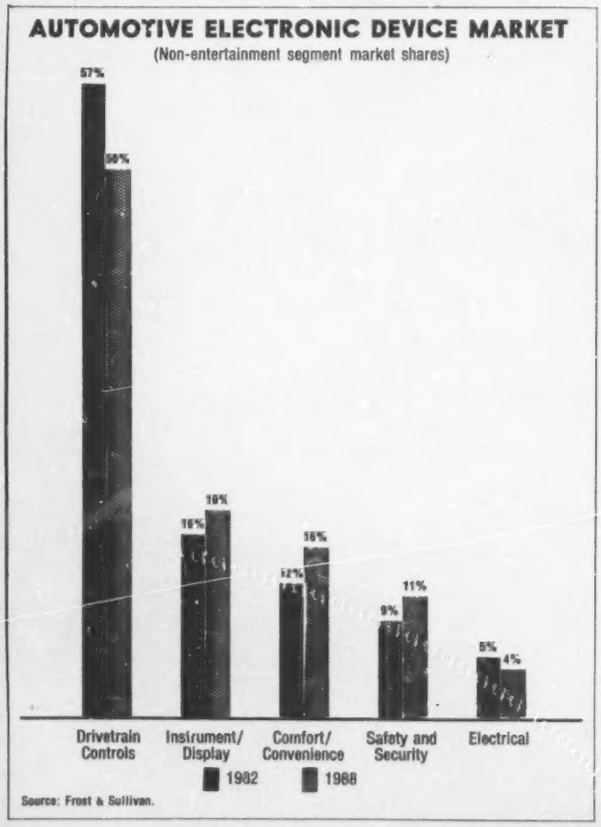
The rising use of electronic fuel injection systems — which allow for accurate and consistent fuel delivery, fuel economy, and increased power—will help the drivetrain control segment to dominate the auto electronics market, growing from $600 million in 1982 to a market worth some $2.3 billion in 1988, a 50 percent share of the total market. (All figures are for electronics used in U. S.-made cars only.)

With developments in instrument clusters and LCDs, and with new applications in road maps and large area displays, F&S predicts considerable growth in the instruments and displays category. Annual volume is projected to grow from $170 million in 1982 to $875 million in 1988. LEDs are already being used extensively.

Substantial growth in electronics for climate control, skid control, traction and braking, active suspension and load leveling, and steering control, along with the move toward providing "big car rides" on small cars, will help the convenience and comfort segment and the safety and security segment to achieve growth. New products in these two categories, including "memory seats," service interval reminders, voice-actuated power windows, automatic day/night rear view mirrors and remote control door locking systems, will result in over 30 percent average annual growth for both categories over the forecast period.

The expanding role played by the microprocessor, particularly in engine controls, will help the electronic components segment to rise from $55 million sales in 1982 to $195 million in 1988, due largely to the increased use of across-the-board engine control computers.

Cellular mobile phone volume is expected to become significant in 1984, accounting for $80 million in sales based on 40,000 installations at a purchase price of $2,000 each; the 1988 market, with 800,000 subscribers paying an estimated $750 each for the equipment, will be worth $600 million dollars. □



Joint ventures

Continued from Page E-8

in the 30 percent range if we stay on the track we're on."

That's not terribly healthy for the security of the U. S. It speaks a lot though for the international competitive nature of Europe and Japan.

"We have today, $8 billion of favorable trade, a balance from microelectronics. We could easily lose that in a couple years by just sitting back on our laurels," he said.

He said research projects in microelectronics are extremely expensive. One example: "IBM just announced it terminated an R&D program that cost them $120 million. That was $120 million flushed because they went down a dead end. Even IBM doesn't have the resources to do that sort of thing very often," Vince said.

"Those of use in MCC don't have the resources of our own to do one of those, much less three or four. We have to get together to pool our resources.

"The costs of those programs are extremely high. The people to work on them are rare. You don't have people with those skills walking around looking for a job. They have four or five jobs waiting for them if they quit the one they have, he said.

The dearth of capital and that scarcity of skilled people add up to one thing, in Vince's opinion. "You have to get together."

The last element in the equation is a desire for return on investment. "Greed works into it. If CDC can put a dollar into a joint venture and get $8 worth of R&D for it, why not? And if we can do it, the other partners can do it. Pure, unadulterated leverage is the name of the game," he said.

There are inhibitors in the path of cooperation, and Vince listed some he has encountered in working with engineers.

His list includes the ever-present "not-invented-here" syndrome. "Also, many engineers were brought up believing if you don't have to cooperate, don't, if you can possibly get out of it. And there are a lot of cases of 'I don't want to cooperate because I can do the job better'," he said.

"The other one is that it is just too damn much work to cooperate. You have to be friendly with your competitors. You have to smile and be nice when you don't feel like it," he said.

Another problem is transferring the technology into the company from the outside. That's a major problem. You have problems transferring technology from one division to another, can you imagine what kind of problems you'd have transferring it from the outside in? But we will get over these barriers, or we will lose the race," he said.

Mention of competitors naturally brings up the subject of the Justice Department and its trust busters and trust preventers. Vince gave his audience a look at how MCC has steered clear of antitrust pitfalls.

The key, he said, is the fact the co-op venture will not make any products and will have only tools and technology as its output. It will make a profit. Too, he said, its work will help the U. S. preserve its market position worldwide, a premise apparently not lost on the bureaucrats.

"Now, of course, before you can get some profit out of the technology you discovered, you must have a little seed money. We expect seed money to flow for at least four or five years, but MCC is organized to license the technology back to the member companies and non-MCC companies, but after a waiting period, which will vary by program."

MCC members must be U. S.-owned companies. A major share of their stockholders must be U. S. citizens, and they must be engaged in microelectronics research: "There aren't too many companies under those rules that might not qualify. We do have 13 member companies and they are primarily in electronics and computer technology."

MCC's programs are computer aided design and manufacture, the next generation computer, artificial intelligence, electronic chip packaging and software technology.

"There is no question that the justice department is going to be watching us. We have an attorney at every meeting, that two competitors get into. He may not know a thing we're talking about, but he's taking notes furiously that we're not price-fixing, or market sharing. That's the way the world's built, that's what we have to do. Pretty soon he'll be transferring to the technical area, for all the conversations he's heard," Vince said.

"The Justice Department has given the green light for formulation, and we're off and running. However, Justice has said, 'We reserve the right to take a look at each one of those programs and see if we like it, from a societal point of view, competitive and uncompetitive point of view.' So far, they haven't made any noise about it and we don't expect them to." □

Witnesses half a century of industry changes

50 years of auto shows for Orloff

By Matt DeLorenzo
Los Angeles Reporter

LOS ANGELES.—As the automobile has grown to become an integral part of American life, so has the annual rite of the auto show, the traditional winter/spring exposition of new models that gets the winter-bound thinking of that new car.

While the idea of the show — getting buyers motivated — has changed little, the presentation of vehicles and the vehicles themselves have changed dramatically over the years.

Perhaps one of the best witnesses of these changes is Benjamin Orloff, general manager of the Greater Los Angeles Auto Show, who this year marked his 50th anniversary in the business.

When Orloff began in Chicago in 1934, it was just after the Chicago Auto Trade Assn. took over the local auto show from the manufacturers.

"Back in those days, there were two national shows put on by the manufacturers — New York and Chicago," Orloff said. "The Chicago show was in the old Coliseum and maybe the whole thing, if I had to guess, covered about 70,000 to 80,000 square feet."

Orloff, who was a student at the University of Chicago at the time, first worked on the official program of the show part-time. "It was just kind of a progression, they kind of took a liking to me," he said.

"There was this old gentleman who handled publicity," Orloff said. "His name was Walter Birmingham. He was one of the old-time newspaper guys with the hat on and a cigaret in his mouth. He kind of liked me.

"Then I started to do a few more chores, like delivering tickets and posters for him. When the show started, I was part of the organization."

During the Depression years, Orloff said, the new-car announcements and shows were after the first of the year.

"One year, and I don't know what year it was, we had two shows in one year. President Roosevelt thought that he'd like to have the workers have a little more money for Christmas, so he asked the industry to have fall announcements. So, that year, we had one in January and one in the fall."

The Chicago show began to grow in size and eventually moved from the Coliseum. "Later on, the International Amphitheater was built and we moved there. That gave us a lot of space.

"The Chicago show was big and recognized and became an extravaganza," Orloff said. The exhibits were becoming more elaborate as well. "In the beginning, they would have a room with some flower pots around—that's what the whole deal was. Then the exhibits began to have turntables."

Then came World War II and five years of no new cars and a decade of no auto shows.

"There were no shows during that period," Orloff recalled. "Then after the war, it was 1950 or '51, the shows started and they asked me to come back."

Although car sales resumed following the war, Orloff said it wasn't until the late 1940s that people started talking about having shows again and then it took a year or two to plan before the Chicago show was resumed.

When he returned to the business, Orloff started the show publication and handled the allied exhibits, such as parts suppliers.

"In the early shows, parts were pretty good," Orloff said. "You know, back in those days, when I bought a new car, they would take the radio and heater out of my car and put it in my new one." As a result, parts vendors had a great deal of interest in reaching the public at these shows.

The handling of the allied exhibits led into another new area for Orloff during the late 1950s and early 1960s—imports.

"It was something exotic, something new—you started to have a lot of different makes and the shows got larger," he said. "I remember we had British Motor Cars (BMC) and they handled MG, Triumph, Rover and Jaguar.

"Then there was this Rootes Group and they had Riley and four or five other numbers. Then we had cars like the Messerschmit, the Skoda, Lloyd and several others."

Orloff recalled that some of the import companies did not understand how things worked in this country when it came to getting into auto shows.

"When the imports started, I got a call from New York and a fella said he was calling for Lord Rootes. It was about two or three weeks before the show and the fella said he wanted space for our show. I said we didn't have it and he said, 'But this is for Lord Rootes.'

"I said if it was the Pope, I couldn't do anything. He was just amazed that I couldn't handle it. So I said, 'I'll take Lord Rootes if you know where I can get wall stretchers. If I get wall stretchers, then I'll put him in.'"

Orloff said the next year he was able to get the Rootes Group in the show.

"Then the domestics started bringing in their own imports," Orloff said. "Buick had Opel and Pontiac brought in Vauxhall."

Some import displays were impressive. "I remember the first Toyota exhibit. It was a Japanese garden—very beautiful, very Oriental."

Orloff stayed with the Chicago show until the early 1970s, working as exhibit sales manager. In the mid-1970s, he consulted with other shows around the country, helping the Miami dealers start their show, reviving the Cleveland show and consulting in St. Louis, Cincinnati and Kansas City.

He followed his children out to California and worked with the Los Angeles Motor Car Dealers Assn. and their show. Seven years ago, he became the show's general manager.

Despite all the changes, Orloff said he's had no realization that half a century has passed since his start in the business. "Until this 50th year, I never realized age," Orloff confessed.

"You know, if you think of the old biplane or Ford Trimotor to the advanced jet, that's exactly what I've seen in the industry," Orloff said.

"I've seen progress from a sociological standpoint with the car becoming so much a part of our life. I've seen the transition of American life through my experience with the auto show. Not only American life, but the experience of global life."

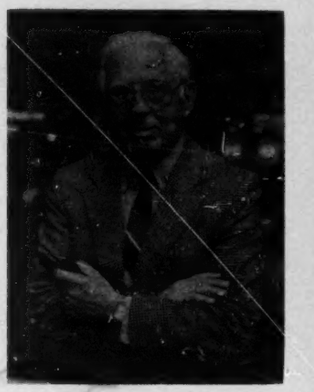
The automobile, Orloff said, represents the best technology that a country has to offer and it is through the auto that all countries have become aware of what is going on elsewhere in the world.

"The auto industry has made us cognizant," he said. "We live in a world where we're aware of all world activities and we're involved in world activities. The automobile industry has been quite a communication conduit."

This year, in recognition of Orloff reaching his personal milestone, the Los Angeles Motor Car Dealers Assn. honored him at its annual luncheon before the show.

Orloff said he was grateful, and added, "Somebody asked me when I'm going to quit. I said, 'You know when I'll quit? When I can't improve. When I think I can't add anything. Then I'll quit.'"

Given Orloff's enthusiasm for this year's show, it appears he'll be around for some time to come.



A golden year

Benjamin Orloff, general manager of the Greater Los Angeles Auto Show, marks his 50th anniversary in the business this year.

Auction directory

OHIO	OHIO
Ohio Auto Auction. The Tuesday sale. 3905 Jackson Pike, Columbus, Ohio. 614-871-2771.	**Wednesday Auto Auction.** Exit 49 on I-270, Columbus, Ohio. Every Wednesday. Call: Area 614-497-2000.

Anglo American Auto Auctions, Inc.

welcomes

Arena Auto Auction

and

Golden Gate Auto Auction

to its nationwide group of full service auto auctions.

"We're building on experience with eight of the best!"

factories list auction dates

Chrysler Corp.

Jan. 24—Aptco Auto Auction, Taylor, Mich., and Hatfield Auto Auction, Hatfield, Pa.

Jan. 25—Sand Mountain Auto Auction, Boaz, Ala.; Concord Auto Auction, Acton, Mass., and Dallas Auto Auction, Grand Prairie, Tex.

Jan. 26 — Indianapolis Auto Auction, Indianapolis, Ind.

Jan. 27 — Floyd Hauhe Auto Auction, Bridgeton, Mo.

Ford Motor Co.

Jan. 24—Aptco Auto Auction, Taylor, Mich.

Jan. 25 — Golden Gate Auto Auction, Fremont, Calif., and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Jan. 26 — Skyline Auto Exchange, Fairfield, N. J.

Jan. 27—Denver Auto Auction, Englewood, Colo.

Feb. 1—Clanton's Auto Auction, Darlington, S. C.

General Motors

Jan. 25—Clanton's Auto Auction, Darlington, S. C.; Arena Auto Auction, Chicago, Ill., and Brasher's Auto Auction, Fontana, Calif.

Jan. 26—Butler Auto Auction, Gibsonia, Pa.

Jan. 30—Florida Auto Auction of Orlando, Orlando, Fla.

Jan. 31—South Seattle Auto Auction, Kent, Wash.

Feb. 2—Floyd Hauhe Auto Auction, Bridgeton, Mo.

Feb. 9—Dallas Auto Auction, Dallas, Tex., and Aptco Auto Auction, Taylor, Mich.

Feb. 14—Southern Auto Auction, East Windsor, Conn.

Feb. 15—Hatfield Auto Auction, Hatfield, Pa.; Northstar Auto Auction, Shakopee, Minn., and Golden Gate Auto Auction, Fremont, Calif.

Feb. 16 —Nashville Auto Auction, Nashville, Tenn.

Feb. 22—Metro Auto Auction, Kansas City, Mo., and Clanton's Auto Auction, Darlington, S. C.

Feb. 23 — Indianapolis Auto Auction, Indianapolis, Ind.

Feb. 29—Arena Auto Auction, Chicago, Ill.

Used Car Sales
Auction Averages

January to date	$5,652
Month ago	$4,308
eYar ago	$4,533

Model breakdown
Auction Averages

	January To Date	December	November
1984	$9,971		
1983	8,223	$9,583	$9,086
1982	6,410	6,445	7,035
1981	5,503	5,414	5,739
1980	4,308	4,734	4,813
1979	3,917	3,955	4,095
1978	2,663	2,959	3,187
1977	2,095	1,895	2,475
Overall Average	$5,652	$4,308	$5,059

Merrill goes Peugeot

OKLAHOMA CITY, Okla. — Clyde R. Merrill, Prop., has been awarded a Peugeot franchise. The dealership, renamed Peugeot of Oklahoma City, has been owned and operated by Clyde R. Merrill since 1948.

Ford Topaz gets a big sendoff in Mexican market

MEXICO CITY. — Following up its unveiling of the 1984 Ford Topaz, Ford Motor Co. of Mexico has launched a major advertising campaign, using newspaper and magazine space and television and radio spots in an unprecedented use of paid space.

Media, banking and business celebrities were invited to inspect the Topaz, stressed as "the car of the future for today's needs." The model is the first auto in the Mexican market featuring Ford's traditional image.

The special unveiling presentation included a spectacular show (produced by Mundo Audiovisual) where live dancers and space ships surrounded the Topaz car. Latest audio visual techniques and laser technology were featured at the show, which also had a diversified display of Ford's full line of cars and trucks.

Ford also sponsored the first television special featuring Ann Margret, Bob Hope, George Burns and Playboy Bunnies to introduce the Topaz to the national television audience. Key spots were on the theme, "It is difficult to believe an auto like the Topaz exists."

Cooperative attitude important, UAW's Ephlin says

Bargaining goal: Keep spirit of '82

By Marjorie Sorge
Labor Editor

The real challenge in this year's contract talks with the Big Two auto makers will be for both sides to continue bargaining in the new cooperative, problem-solving roles established in the 1982 talks, according to a UAW vice president.

Donald F. Ephlin, also director of the union's General Motors department, told the Engineering Society of Detroit last week that outsourcing and job security will be the major union issues in the talks but that the underlying attitude at the table is just as important.

"All of us in the labor end of the business have new and different responsibilities that we never had before," he said. "Because instead of being defense attorneys and trying to justify the way things were, now all of us have the task of finding a better way together.

"We have a tremendous responsibility together this year because we did so well (working together) in 1982 (contract bargaining). We started off in a new direction.

"The decision we have to make this year is are we going to progress together along the lines where we made a good beginning or are we going to join the rest of the packs in this country and just throw up our hands and blame each other for the problems. I have no interest in doing that and fortunately I don't think most of the people we bargain with do either."

Many labor observers believe that the 1984 talks will be the test to see if the two sides can continue to solve problems together, especially in light of the profits of the Big Two for 1983 and the indication that both Ford and GM would like to see restraint in bargaining this year.

Ford is expected to report net income of around $1.7 billion for 1983, while GM could report about $3.66 billion.

In 1982, the companies and the UAW made concessions to improve the auto industry's competitiveness especially in light of the heavy import sales penetration.

While job security and outsourcing issues will be foremost in the negotiations, Ephlin said money will also be discussed as part of the traditional bargaining. But he said, "I don't worry about money, that's the easiest thing to bargain for."

But Ephlin made it clear bargaining would not be only a "giving" session. "People who say it is better to give than receive have never been involved in collective bargaining," he said. "We like it better the other way."

He also said the adversarial relationship would still be present because that's the role required by law and tradition. But, he said, even with the adversarial relationship the job is the same for both sides—"solve the problems and get the job done."

Ephlin also criticized the U. S. Government for not taking a stronger stand on maintaining the steel and auto industries in this country. He said there has never been a meaningful meeting between labor, management and government to solve the problems and called this "scary" and "shameful."

Questioned after his speech about the effect of the GM reorganization announcement on the UAW, Ephlin said it would have no immediate effect but that the union now expects more uniform treatment of its members.

"I think we have some pluses," he said. "(GM needs) one labor relations policy applied in all plants, in all the divisions."

And, he said, since the reorganization will eventually eliminate some of the divisions from bargaining, "now I only have to worry about two instead of eight getting off course."

Stempel keynotes N. J. dealers' convention

Robert J. Maguire, left, 1983 chairman of the board of the New Jersey Automobile Dealers Assn., and Ronald Miller, right, the group's 1984 chairman, welcome Robert Stempel, then Chevrolet general manager, to the group's convention in Boca Raton, Fla. Stempel, who was the keynote speaker at the event, has since been named group executive, Chevrolet-Pontiac-GM Canada Group. Maguire is president of Bob Maguire Chevrolet, Inc., Bordentown, N. J., and Miller heads Miller Cadillac-Pontiac, Rahway, N. J.

Import inventory rises to 30 days; many lines short

Continued from Page 1

ta, 41; Dodge Colt, 65; Plymouth Colt, 73; Plymouth Conquest, 122, and Dodge Conquest, 128.

West-German-made cars in stock Jan. 1 totaled 53,288, a 48-day supply, compared with 51,750 a month earlier, a 49-day stock.

German nameplates and their Jan. 1 days-supply figures were: Porsche, 17; Mercedes-Benz, 26; Audi, 29; BMW, 56, and Volkswagen, 82. VWoA also had an 86-day supply of U. S.-built Rabbits.

Days-supply figures of other European lines included: Jaguar, 15; Saab, 36; Alfa Romeo, 36; Peugeot, 52; Volvo, 71, and Renault, 84.

Days-supply figures for imported pickup trucks Dec. 1 were: Mazda, 21; Toyota, 39; Isuzu, 52; Nissan, 67; Mitsubishi, 82, and Chrysler Corp./Mitsubishi, 98.

They challenge EPA on heavy-duty and light-truck engines

GM, AMC want 'useful life' review

By Helen Kahn
Washington Bureau Chief

WASHINGTON. — EPA is being challenged by General Motors and American Motors on "useful life" provisions affecting heavy-duty and light-truck engines.

Both makers have filed petitions in appellate court asking for court review. In addition, AMC has asked EPA to reconsider its November ruling affecting all its four-wheel-drive vehicles.

GM has warned EPA Chief William D. Ruckelshaus that when it completes its laboratory and field test programs "sometime this year," it expects to challenge "useful life" for both HD engines and light-duty trucks along with hydrocarbon and carbon monoxide emissions for HD gasoline engines.

The EPA regulation — challenged at the last possible legal moment — is in effect. The Ann Arbor (Mich.) lab is certifying HD vehicles and engines (both gasoline and diesel) for the '85-model year.

While the rule was sufficiently controversial to be vulnerable to suit either by the industry or by environmentalists, it appeared safe just a few weeks ago.

Now that two companies have made the move, however, others may well become intervenors. The move to petition EPA as well as seek court review is viewed as a possible way to expedite matters even though GM does not yet have its data together.

Although GM's challenge is both last-minute and non-specific — without even a hint of approximately when its data will become available — it says its unusual "hold it and we'll tell you later" petition is "fair and reasonable" in view of EPA's own "late publication" of the final rule last November.

So far, however, there is no effect on current certification of engines for '85 vehicles at Ann Arbor.

AMC said EPA exceeded its authority when it set "useful life" for light-duty trucks at 11 years/120,000 miles. AMC insisted during the rulemaking period that trucks under 6,000 pounds GVW have a maximum useful life of 5 years/50,000 miles and it will not therefore petition on the same arguments.

Instead, AMC uses alternative arguments to ask for relief. AMC said the definition should not apply to AMC until EPA has shown its feasibility for light trucks, nor should it apply to AMC's 4WD vehicles because of the "unique" problem of predicting durability of such vehicles.

AMC said EPA could phase in the longer useful life period for the company in smaller increments over a period of time.

Kenneth W. Schang, AMC director of vehicle environmental and safety affairs, told Ruckelshaus: "Because of the need to develop 'real time' data on the effects of aging, single-year extensions of useful life should be phased-in no faster than one year at a time."

Regardless of how EPA treats AMC's other requests, AMC said EPA should at least retain the 5/50 standard for the '85 model year on grounds of allowing adequate leadtime.

In its petition to EPA, AMC argued its "special" needs—its size, its dependence on suppliers for emission control technology and its special lack of resources and leadtime to speed up development of data on in-use durability.

In addition, AMC said, a recent appellate court decision dealing with recall liability — won by GM although not a clearcut victory — means Congress did not intend "useful life" to be the same as actual road life.

Sales open year with 32-pct. gain

Continued from Page 1

high of 7,651 chalked up in 1979. Cadillac was up 73.82 percent over 4,393 a year ago. Pontiac boasted a 61.16-percent sales increase, Chevrolet was up 8.32 percent, Buick was up 46.76 percent and Oldsmobile was up 9.12 percent.

Olds sales surpassed those of Ford by some 2,500 units as the GM division sought to fulfill its goal of becoming the second-best-selling make, behind perennial front-runner, Chevrolet.

DOMESTIC SALES

	Jan. 1-10, 1984	Jan. 1-10, 1983
Renault		
Alliance/Encore	3,140†	2,450†
AMC	785†	1,050†
AMERICAN MOTORS	3,925†	3,500†
Chrysler	4,977	3,294
Imperial	.....	21
Plymouth	5,810	4,810
Dodge	6,148	4,665
CHRYSLER CORP.	16,935	12,790
Ford	21,644	15,108
Mercury	8,597	5,744
Lincoln	2,432	1,857
FORD MOTOR CO.	32,673	22,709
Buick	18,025	12,282
Cadillac	8,505	4,893
Chevrolet	27,124	25,041
Oldsmobile	24,185	22,164
Pontiac	13,649	8,469
GENERAL MOTORS	91,488	72,849
VOLKSWAGEN	785	1,050
HONDA	2,876	.....
U. S. INDUSTRY TOTAL	149,136	112,822

† Estimate

letterbox

Continued from Page 10

It's battle all day whether lost or half-won,
For the man who is taking a used car in trade
Is quite apt to give to his prospect a shade.

At last I state clearly just how I will deal,
There's a gasp of astonishment, look of appeal,
"Why, man, you are joking. You don't mean to say
For my auto that's all you are willing to pay.

"In the very next block a firm offered me
Almost twice as much more and one tire free,
They'd throw in a bumper, a spotlight and lock
And I think, by insisting, they'd give me a clock.

"The trouble is you haven't honestly weighed
The worth of my car, you are taking in trade,
Why, look in the Blue Book which tells you the story
And place my good car in the same category."

We continue to argue and gesture and scold,
I talk of my new car, he praises his old,
And by warping my judgment and better sense too,
He sells me his old car, and then buys my new.

The old car is painted, retired, rebored,
I found on inspection the cylinders scored,
We insured it and stored it and paid all the bills,
(This deal and some others quite gave me the chills).

We paid a commission for finally selling,
It was high time, for our losses were swelling,
But we'd sold a new car — had conquered our goal,
Our factory was happy, but we're in the hole.

Now this is the story of many a trade,
Of many transactions much better not made,
We sign off and swear of "it's wrong, does not pay,"
And do it all over again the next day.

Compliments of **G. Norman Baughman Co. — 1924**

movers and shakers

Continued from Page 8

Staff and the Personnel Organization Staff.

David N. McCammon, 49, succeeds Gilmour as vice president - controller. McCammon's replacement as head of the Corporate Strategy and Analysis Staff will be announced later.

Gilmour joined Ford in 1960 as a financial analyst. He was elected president of Ford Motor Credit Co. in 1975 and was named executive director of corporate and North American analysis for the company's Finance Staff in 1977. He was elected a company vice president and named controller in 1979.

McCammon joined Ford's Finance Staff in 1957 as a systems analyst. He served as Ford Division controller and in other finance posts and was elected a company vice president and placed in charge of the Corporate Strategy and Analysis Staff in 1979.

Makers schedule 164,396 cars

Week's auto output climbs 9 pct.

By Mary Beth Mayer
Staff Writer

With 13 domestic auto assembly facilities working extra hours last week, U. S. auto makers slated production of 164,396 units, a 9.58 percent gain over the prior week's output of 150,035.

Last week's total leads the 116,615 units produced in the year-ago week by 40.98 percent.

The cumulative three-week total for 1984 reached 449,528, up 34.61 percent from 293,982 built in the comparable period last year.

Breakdown for the week by company was: General Motors, 60.08 percent; Ford Motor Co., 20.73 percent; Chrysler Corp., 13.47 percent; American Motors, 2.92 percent; Volkswagen of America, 1.43 percent, and Honda, 1.37 percent.

Working two shifts on Saturday (Jan. 21) at GM were: Arlington (Tex.), Doraville (Ga.), Fairfax (Kans.), Flint (B-D and G lines), Linden (N. J.) and Van Nuys (Calif.).

Three Ford facilities put in extra daily hours. They were: Atlanta, Dearborn and St. Louis. This week, Atlanta, Chicago, Edison (N. J.), St. Louis and Wayne (Mich.) are on daily overtime.

At Chrysler, Belvidere (Ill.), Newark (Del.) and St. Louis No. 1 put in two daily 9-hour shifts. Jefferson (Detroit) worked two daily 8½-hour shifts and St. Louis No. 2 operated two regular 8-hour daily shifts. Jefferson worked two 8-hour shifts Saturday as well.

This week, Chrysler plans to follow the same daily overtime schedule.

DeLorean affair in UK still alive and kicking

By Richard Feast
European Editor

LONDON. — The cool $119 million tax demand slapped on Group Lotus by Inland Revenue is an indication that the DeLorean affair is still alive and kicking in the UK, too.

The amount is clearly unrealistic—at least 10 times the profits made by the group in its entire history and more than four times its current market value.

What Inland Revenue really wants to know is the whereabouts of the $17.6 million paid by UK Government agencies and U. S. investors for the development of the DeLorean sports car by Lotus.

Sir Kenneth Cork, the DeLorean receiver, told the House of Commons Public Accounts Committee recently that the money "went walkabout."

Lotus immediately lodged an appeal against the tax demand. According to Chairman David Wickens, Group Lotus has no tax liability.

But the Inland Revenue inquiry has resulted in the suspension from duty of Deputy Chairman and Chief Executive Fred Bushell.

Bushell, long-time financial adviser to Colin Chapman, became chairman when Chapman died unexpectedly in December, 1982. Following the financial aid package put together for the group by British Car Auctions (BCA), Toyota and others, Bushell passed the chairman's seat to Wickens, BCA head.

Mike Kimberley, managing director, is to become chief executive, while other members of the Lotus Board including Wickens and Alan Curtis will spend more time at the Lotus HQ.

Bushell was apparently approached by Inland Revenue in its inquiries about the missing $17.6 million. It is believed that his lack of cooperation has led to the present huge tax demand.

The missing money puzzles U. S. tax authorities, the Royal Ulster Constabulary and the British Public Accounts Committee as well. It is the sum paid by U. S. and UK interests into the Swiss-based, Panama-registered company GPD Services. The $17.6 million never reached Lotus.

Meanwhile, in Detroit, a bid to sell John DeLorean's Logan Mfg. Co., a Utah-based manufacturer of snow-grooming equipment, was blocked in Federal Bankruptcy Court.

The judge said that a Logan company attorney failed to comply with an order to detail the proposed transaction. Logan is seen as an asset of the defunct DeLorean Motor Car Co. and its sale is subject to court approval.

The proposed purchaser of Logan is Pacific International Equipment, Inc., which is reported to be controlled by Roy Nesseth, longtime friend and business associate of DeLorean.

Truck production slips for week, but tops 1982

Truck output last week dropped slightly from the level of the previous week.

The truck makers targeted production of 59,652 units, trailing the 61,317 assembled the prior week by 2.72 percent. However, last week's tally leads the year-ago week's output of 33,279 by 79.25 percent.

During the first three weeks of assembly this year, the manufacturers produced 167,444 trucks, more than double the 83,194 finished in the same period in 1983.

Nine truck assembly facilities put in extra hours last week, down from 10 plants working overtime the week before.

At General Motors, St. Louis worked two shifts Saturday (Jan. 21) while the Detroit point put in one shift that day.

Production of medium-duty trucks at GM's Pontiac point, already on two-shift operations, will be increased 36 units to 212 trucks a day, effective today (Jan. 23). The increase will require about 80 additional employes.

Ford Motor Co. scheduled extra daily hours at all six of its truck plants. This week, Ford plans the same overtime schedule.

Last week, Nissan Motor Mfg. Co.'s Smyrna (Tenn.) plant began working 9-hour days for three months. The plant is also scheduled to work Saturdays on Jan. 28, Feb. 18 and March 3.

Canadians boost auto output to 22,736 for week

Canadian auto makers slated production of 22,736 units last week, 20.61 percent ahead of the prior week's 18,851, and 30.46 percent better than 17,428 assembled in the year-ago period.

So far this year, the manufacturers have built 59,084 autos, leading the 1983 tally of 49,065 at this time by 20.42 percent.

Truck output last week was targeted at 14,611, up slightly from 14,435 units assembled in the previous week, and 45.52 percent more than the 10,041 that were completed in the year-ago week.

Year-to-date, truck production stands at 41,257, a solid 76.23 percent ahead of 23,412 units which were assembled in the first three weeks of 1983.

Chrysler Corp. estimated production of 1,204 Dodge Caravans and 1,062 Plymouth Voyagers at its Windsor (Ont.) plant last week, bringing the year-to-date T-115 total to 6,485.

CANADIAN CAR PRODUCTION

	Week Ended Jan. 21, 1984	Week Ended Jan. 22, 1983	Week Ended Jan. 14, 1984	Jan. to date	Jan. 1 to Jan. 22, 1983	Jan. 1 to Jan. 21, 1984
AMERICAN MOTORS	600	927	607	1,695	2,881	1,695
CHRYSLER CORP.	.....	4,238	.....	.....	12,630	.....
FORD MOTOR	8,400	3,726	4,384	19,798	7,665	19,798
GENERAL MOTORS	13,511	8,312	13,635	37,013	25,214	37,013
VOLVO	225	225	225	578	675	578
Total Cars, Canada	22,736	17,428	18,851	59,084	49,065	59,084

TRUCK PRODUCTION IN U. S.†

	Week Ended Jan. 21, 1984	Week Ended Jan. 22, 1983	Week Ended Jan. 14, 1984	Jan. to date	Jan. 1 to Jan. 22, 1983	Jan. 1 to Jan. 21, 1984
CHEVROLET	19,520	12,685	20,161	55,593	34,075	55,593
DODGE	3,800	2,425	4,105	11,014	2,300	11,014
FORD	22,695	11,368	23,130	62,129	27,551	62,129
GMC	6,142	4,732	6,616	18,017	11,812	18,017
INTERNATIONAL	1,245	1,019	1,236	3,434	2,345	3,434
JEEP	3,350	.....	3,374	9,501	1,961	9,501
NISSAN	1,850	.....	1,645	4,816	.....	4,816
AM GENERAL	50*	50*	50*	140*	150*	140*
MISCELLANEOUS	1,000*	1,000*	1,000*	2,800*	3,000*	2,800*
Total Trucks, U.S.	59,652	33,279	61,317	167,444	83,194	167,444

CANADIAN TRUCK PRODUCTION

	Week Ended Jan. 21, 1984	Week Ended Jan. 22, 1983	Week Ended Jan. 14, 1984	Jan. to date	Jan. 1 to Jan. 22, 1983	Jan. 1 to Jan. 21, 1984
CHRYSLER CORP.	4,918	2,744	4,656	13,948	8,004	13,948
FORD MOTOR	3,300	2,984	3,326	9,328	3,488	9,328
GENERAL MOTORS	6,248	4,047	6,338	17,614	11,660	17,614
INTERNATIONAL	145	266	115	367	260	367
Total Trucks, Canada	14,611	10,041	14,435	41,257	23,412	41,257
N. American Trucks	74,263	43,320	75,752	20,890	106,606	208,701

†—Now includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.

U. S. CAR PRODUCTION

	Week Ended Jan. 21, 1984	Week Ended Jan. 22, 1983	Week Ended Jan. 14, 1984	Jan. to date	Jan. 1 to Jan. 22, 1983	Jan. 1 to Jan. 21, 1984
AMERICAN MOTORS	4,800	3,064	4,124	8,924	9,837	8,924
AMC Total	.....	.....	.....	.....	831	.....
Eagle	.....	.....	.....	.....	831	.....
Renault Total	4,800	3,064	4,124	8,924	9,006	8,924
Alliance	2,400	3,064	2,006	4,406	9,006	4,406
Encore	2,400	.....	2,118	4,518	.....	4,518
CHRYSLER CORP.	22,150	14,748	24,441	62,581	25,035	62,581
Plymouth Total	7,250	5,127	7,799	19,294	8,295	19,294
Horizon	2,800	1,902	3,361	6,546	1,300	6,546
Reliant	4,100	3,189	4,081	11,707	6,290	11,707
Caravelle†	200	36	140	468	105	468
Gran Fury	150	.....	217	573	.....	573
Chrysler Total	6,500	3,781	7,304	19,574	7,127	19,574
LeBaron	2,100	2,000	2,010	5,968	4,086	5,968
Laser	1,600	.....	1,940	4,112	.....	4,112
Chrysler E-Class	1,600	1,781	1,864	5,221	3,041	5,221
Fifth Avenue	1,200	.....	1,490	4,273	.....	4,273
Dodge Total	8,400	5,840	9,338	23,713	9,613	23,713
Omni	2,600	2,209	2,932	5,878	2,300	5,878
Aries	2,800	2,324	3,000	8,680	4,668	8,680
Daytona	1,200	.....	1,661	4,202	.....	4,202
Dodge 400	.....	624	.....	.....	1,034	.....
Dodge 600	1,500	683	1,484	4,264	1,611	4,264
Diplomat	300	.....	261	689	.....	689
FORD MOTOR	34,076	25,686	21,119	84,287	56,588	84,287
Ford Division	22,257	15,637	13,103	55,446	32,893	55,446
Escort	5,461	5,796	5,215	16,622	5,731	16,622
Fairmont	.....	2,950	.....	.....	8,958	.....
Mustang	3,022	1,644	.....	5,573	4,723	5,573
LTD	4,955	2,930	4,810	13,289	9,095	13,289
Thunderbird	3,566	1,280	317	7,163	1,876	7,163
Crown Victoria	1,551	1,017	2,018	5,205	2,510	5,205
EXP	881	.....	743	2,058	.....	2,058
Tempo	2,821	.....	.....	5,536	.....	5,536
L-M Division	11,819	10,049	8,016	28,841	23,695	28,841
Mercury Total	9,318	7,988	4,778	19,954	17,494	19,954
Lynx	1,106	1,677	1,044	3,177	1,727	3,177
Capri	1,011	382	.....	1,267	1,211	1,267
Zephyr	.....	975	.....	.....	2,727	.....
Marquis	1,945	1,078	1,028	5,050	2,969	5,050
Cougar	1,935	639	273	3,757	916	3,757
Grand Marquis	2,069	3,237	1,593	4,855	7,944	4,855
LN7	.....	.....	.....	.....	.....	.....
Topaz	1,252	.....	.....	1,848	.....	1,848
Lincoln Total	2,501	2,061	3,238	8,887	6,201	8,887
Continental	468	411	614	1,691	1,240	1,691
Lincoln	624	868	812	2,222	2,816	2,222
Mark VI/VII	1,409	782	1,812	4,974	2,145	4,974
GENERAL MOTORS	98,770	69,738	95,781	280,551	192,807	280,551
Buick Division	21,904	17,947	20,040	61,171	48,140	61,171
Skylark	1,716	3,569	.....	4,436	4,029	4,436
Skyhawk	3,330	1,418	3,879	10,172	4,466	10,172
Century	4,414	1,983	4,072	12,105	8,173	12,105
Regal	4,770	5,930	4,818	13,541	16,940	13,541
Buick	5,843	4,366	5,733	16,318	12,376	16,318
Riviera	1,320	681	1,265	3,645	2,156	3,645
Electra (fwd)	511	.....	273	954	.....	954
Cadillac Division	6,649	7,421	6,668	19,071	20,528	19,071
Cimarron	433	481	524	1,316	1,577	1,316
Seville	744	568	700	2,033	1,659	2,033
Eldorado	1,421	1,667	1,355	3,906	4,796	3,906
Cadillac	3,572	4,705	3,882	11,053	12,496	11,053
DeVille (fwd)	479	.....	207	763	.....	763
Chevrolet Division	34,864	20,006	33,335	96,360	54,987	96,360
Chevette	4,265	4,451	4,379	12,133	9,545	12,133
Cavalier	8,188	3,085	8,862	24,005	9,036	24,005
Celebrity	5,630	1,421	5,474	15,605	4,328	15,605
Camaro	6,133	3,651	5,288	16,001	11,651	16,001
Citation	2,058	2,575	1,609	5,156	6,346	5,156
Malibu/El Camino	533	2,335	479	1,528	7,092	1,528
Monte Carlo	4,641	1,883	4,158	12,559	5,136	12,559
Chevrolet	2,641	567	2,317	7,215	1,785	7,215
Corvette	775	38	769	2,158	68	2,158
Oldsmobile Division	24,885	17,078	24,774	73,044	50,582	73,044
Omega	844	1,743	.....	2,241	1,540	2,241
Firenza	1,442	782	1,852	5,045	2,058	5,045
Cutlass Supreme	6,900	5,176	7,751	21,298	16,049	21,298
Cutlass Ciera	5,576	1,727	4,775	15,027	7,347	15,027
Oldsmobile	8,716	6,792	9,374	26,153	21,169	26,153
Olds 98 (fwd)	527	.....	188	855	.....	855
Toronado	880	858	834	2,425	2,419	2,425
Pontiac Division	10,468	7,286	10,964	30,905	18,570	30,905
Acadian†	.....	216	280	523	178	523
2000 Sunbird	2,360	1,608	3,529	8,433	4,664	8,433
1000	795	1,187	693	2,058	1,574	2,058
Firebird	2,595	1,473	1,993	6,934	4,771	6,935
Phoenix	328	685	408	1,135	1,490	1,135
G. Prix/Bonneville	1,470	2,117	1,485	4,157	5,893	4,157
Parisienne	520	.....	444	1,401	.....	1,401
Fiero	2,400	.....	2,132	6,264	.....	6,264
HONDA	2,250	100*	2,203	6,660	300*	6,600
VOLKSWAGEN	2,350	3,279	2,367	6,585	9,415	6,585
Total Cars, U.S.	164,396	116,615	150,035	449,528	293,982	449,528
Total Cars, Canada	22,736	17,428	18,851	59,084	49,065	59,084
N. American Cars	187,132	134,043	168,886	508,612	343,047	508,612
N. American Trucks	74,263	43,320	75,752	208,701	106,606	208,701
North American Cars and Trucks	261,395	177,363	244,638	717,313	449,653	717,313

†—All Acadians and Caravelles are built for sale in Canada. *—Estimated.

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GM studies U.S. assembly of Isuzu, McDonald says

By Matt DeLorenzo
Los Angeles Reporter

LOS ANGELES. — General Motors is studying the possibility of assembling Isuzu cars in the U. S. as well as importing small cars from Korea, F. James McDonald, GM president, said here last week.

McDonald, who was in Los Angeles to accept Motor Trend's Man of the Year award for himself and GM Chairman Roger Smith, said GM's Japanese strategy of importing cars is to buy time until the company's Saturn small-car project is finished.

Saturn, as GM's top execs have said, is a "no-year" car, in that no definitive timetable has been set on the vehicle's introduction.

"We want to have some 'reach' in this project," McDonald said referring to the advancements in small-car technology the corporation expects from Saturn.

"Meanwhile, we have a responsibility to provide cars that are competitive at the low end of the market." He estimated that GM needs about one million units to satisfy that need, hence the Far East strategy.

• However, the fourth year of import restraints leveled by the Japanese government is putting a crimp in those plans.

Japan's Ministry of International Trade and Industry limited GM to 50,000 vehicles under the new allotment, which has moved from 1.68 million to 1.85 million units for the fourth year.

Under the quota, GM will bring in about 33,000 Isuzu and 17,000 Susuki small cars. American Isuzu, which has been limited to 17,000 cars, does not appear to be getting any more vehicles because MITI has set the Isuzu limit at 50,000.

The U. S. unit of the Japanese auto maker had no comment. GM owns 34 percent of Isuzu of Japan.

Although disappointed, McDonald said GM plans to bring in what it can under MITI's allotment. "I don't think the direction is to back out," he said. "We're waiting for Chevrolet to come up with a recommendation" on distribution.

Asked about the possibility of assembling CKD kits in the U. S., McDonald replied, "we're certainly studying that," but quickly added that the decision to go that route does not hinge solely on the question of import restraints.

"The potential (for assembly) has to do with Chevrolet and its distributution," he said. He said it would take about two years to establish that capability in the U. S.

As for selling a Korean car here, McDonald said GM's partner in that country, Daewoo, is currently studying a small car to compete in that market. GM owns 50 percent of Daewoo.

"We're working with Daewoo.

Continued on Page 84, Col. 5

Stretching the 500-SEL

Long limo for $125,000

A U. S. distributor for Le Marquis Coachbuilding Co. of England, Arabella Car Corp., Wyckoff, N. J., is marketing the Arabella Le Marquis Limousine, based on a Mercedes-Benz 500-SEL which is stretched either 36 or 42 inches. The company said a Mercedes-Benz door with handles is used in the center section to "eliminate the stretched look." The 36-inch conversion is $125,493, while the longer version is listed at $129,635.

GM-Toyota deal faces scrutiny in Congress

By John A. Russell
New York Reporter

TEANECK, N.J.—The General Motors-Toyota joint-venture agreement will come under Congressional scrutiny in two weeks in hearings before the Commerce, Transportation and Tourism subcommittee.

Subcommittee chairman James J. Florio (D-N.J.) dropped this bombshell while speaking before the annual meeting of the Dealers Alliance, the combined Ford and Chevrolet Dealers Alliances.

Florio was at the meeting to voice his opinions on H.R. 1415, the bill that would ban fleet subsidies, but diverted from his remarks to make the announcement about the hearings.

Before 300 dealers, he termed the hearings necessary, saying, "I am troubled by the way this decision was reached."

The FTC has given the tentative go-ahead for the venture between the two largest auto makers in the world despite objections from other U. S. auto makers.

The decision, Florio said, effectively legislates the future of a giant industry, yet there are claims that there was inadequate opportunity for consideration of the consequences.

"There are contentions that the decision is flagrantly at odds with traditional anti-monopoly standards," he said.

After the meeting, Florio told Automotive News the move for the hearings was sparked by Congress receiving a heavily censured FTC report on the agreement in response to its inquiry for further information.

Sources indicated some members of Congress were angered by these censored reports and the move to have the hearings started. These hearings are scheduled for Feb. 8.

• But Florio's prime mission at the meeting was to voice support for the anti-fleet subsidy bill.

Ed Mullane, president of FDA, has been waging war against subsidies for over a year. One hearing has already been held before Florio's subcommittee.

Florio told the gathering "the debate over these bills is evidence to me that smaller businesses and the contribution they make to competition and consumers is endangered."

He went on to criticize fed-

Continued on Page 83, Col. 5

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May sell Isuzu, Suzuki, South American Chevys overseas

GM world bid links Japan, Brazil

By Richard Feast
European Editor

BRUSSELS. — General Motors may sell its surplus Suzuki and Isuzu models in overseas markets because of the strict quotas imposed in the U. S.

If it does, the Japanese cars will join Brazilian-sourced cars in a determined bid by GM's Overseas Distribution Corp. to recapture lost worldwide markets.

Last year, GMODC sold around 70,000 units in overseas markets, mainly in the Middle East, but also in Latin America, Europe and Japan. But in the late 1970s the export figure was 150,000.

"The change is essentially due to the over-valued dollar," explains Richard F. McGill, executive vice president, GMODC.

This change in sourcing, away from North America toward products from low-cost countries like Brazil and (possibly) Japan, also stems from the way in which U. S. and European makers face stiff Japanese competition in exports as well as domestic markets.

GM has taken no decision on what to do with the Suzuki and Isuzu models, but it does face a serious problem of what to do with the cars it cannot import to the U. S. But as long as the cars are sold as Chevrolets, they could go direct to other world markets.

However, the company has decided to use GM do Brazil as a production platform for its overseas sales drive, even if no formal announcement has been made.

In using its Brazilian subsidiary — established in 1925 — GM is following a path already established by the country's other auto makers. A generous export incentive scheme by the Brazilian Government has prompted a great deal of similar activity.

Fiat Auto ships diesel engines and 127 models to Europe. This year, it will ship the new Uno as well. Ford has begun selling Brazilian-made Escorts in Scandinavian markets, and Volkswagen has revealed that it will build a completely new model from 1985 for domestic and export markets.

Passenger cars are all based on designs by Adam Opel. McGill believes the ones which would have most export potential are the rear-drive T-car and front-drive J-car (known as Chevrolet Monza).

He adds, "It's no secret that the Middle East is a huge pickup market. Brazil is a pickup producer, and I believe we could find a very good reception for this type of vehicle."

Because of the emission and safety regulations which have to be met around the world, GM officials will not talk about timing. Neither will they talk about volumes.

• The plans will go ahead "when we're ready, and certain that the producers are designed and specified for the markets."

It seems unlikely, though, that this will take much more than another year. GM has a distribution network already established to handle 150,000 vehicles a year, which must be the minimum sales target.

Under the terms of the U. S.-Japan export agreement for 1984, Isuzu has been allocated 50,000 units (17,000 in 1983) and newcomer Suzuki only 17,000. This is a quarter of the volume for which GM hoped.

It made its investments in Isuzu (in which it now holds 43 percent) and Suzuki (5.3 percent) on expectations of

Continued on Page 84, Col. 5

breaking news

New hurdle in GM-Toyota venture

WASHINGTON. — At presstime, the five Federal Trade Commissioners were voting on whether to ask for a postponement of a Congressional hearing involving the pending General Motors-Toyota joint venture now set for Feb. 8, or permission to send FTC staff in lieu of commissioners. Concern was being voiced that any appearance to explain procedures used in arriving at the 3-2 vote provisionally accepting the proposed use of the California plant might appear to "taint" their final decision, which must come after close of the comment period Feb. 27.

New Jersey Rep. James J. Florio, who chairs the Commerce, Transportation and Tourism subcommittee, has expressed his personal opposition to the joint venture.

Isuzu van to be produced in UK

LUTON, England. — Bedford, part of General Motors' World Truck and Bus Group is in the middle of a $100-million investment program which will result in production at Luton by the end of this year of the Isuzu WFR panel van, as well as a new electric van.

SEE BREAKING NEWS, Page 8, Col. 1